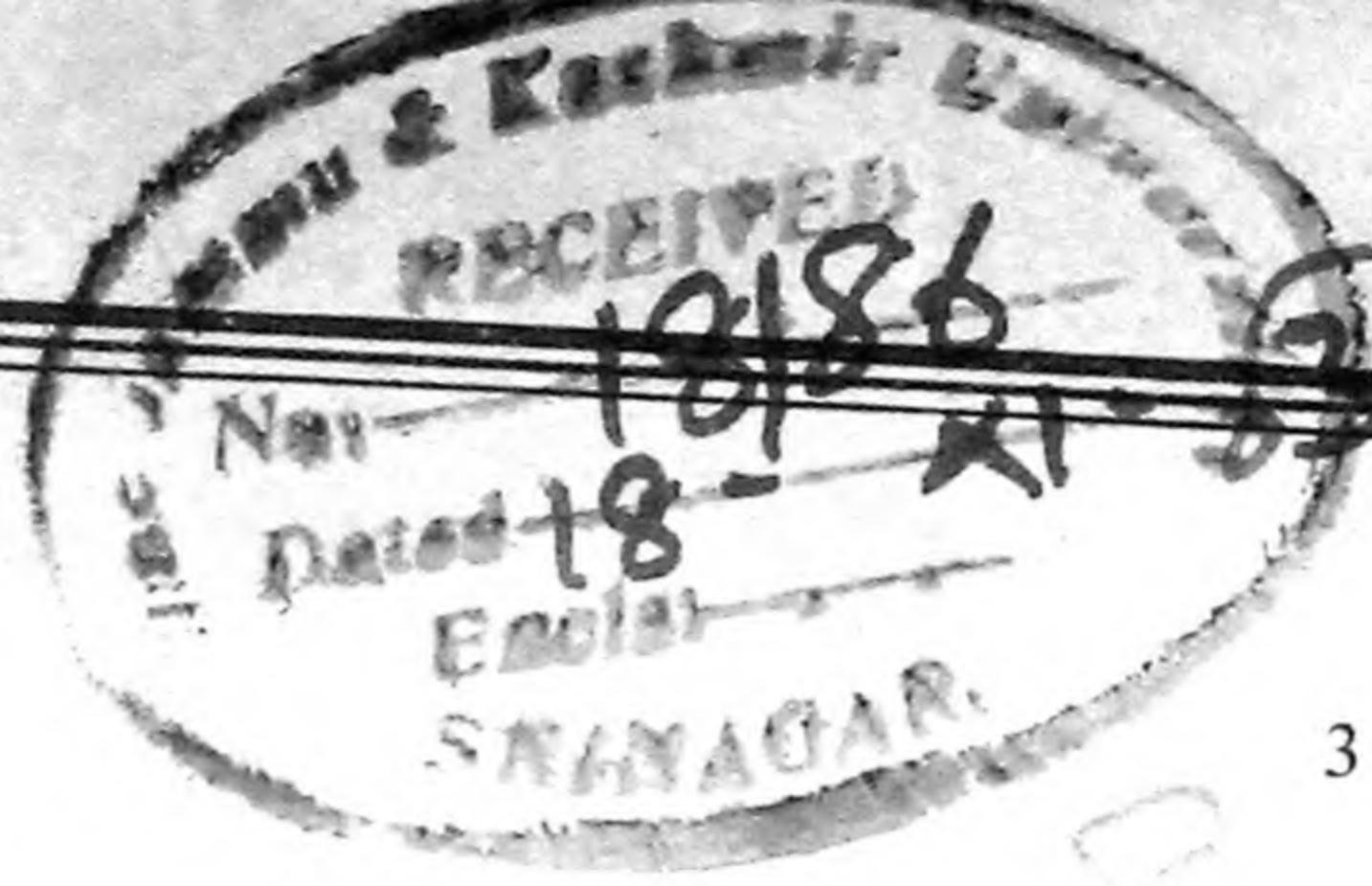


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INTERNATIONAL SURVEY

REFERENCE BOOK

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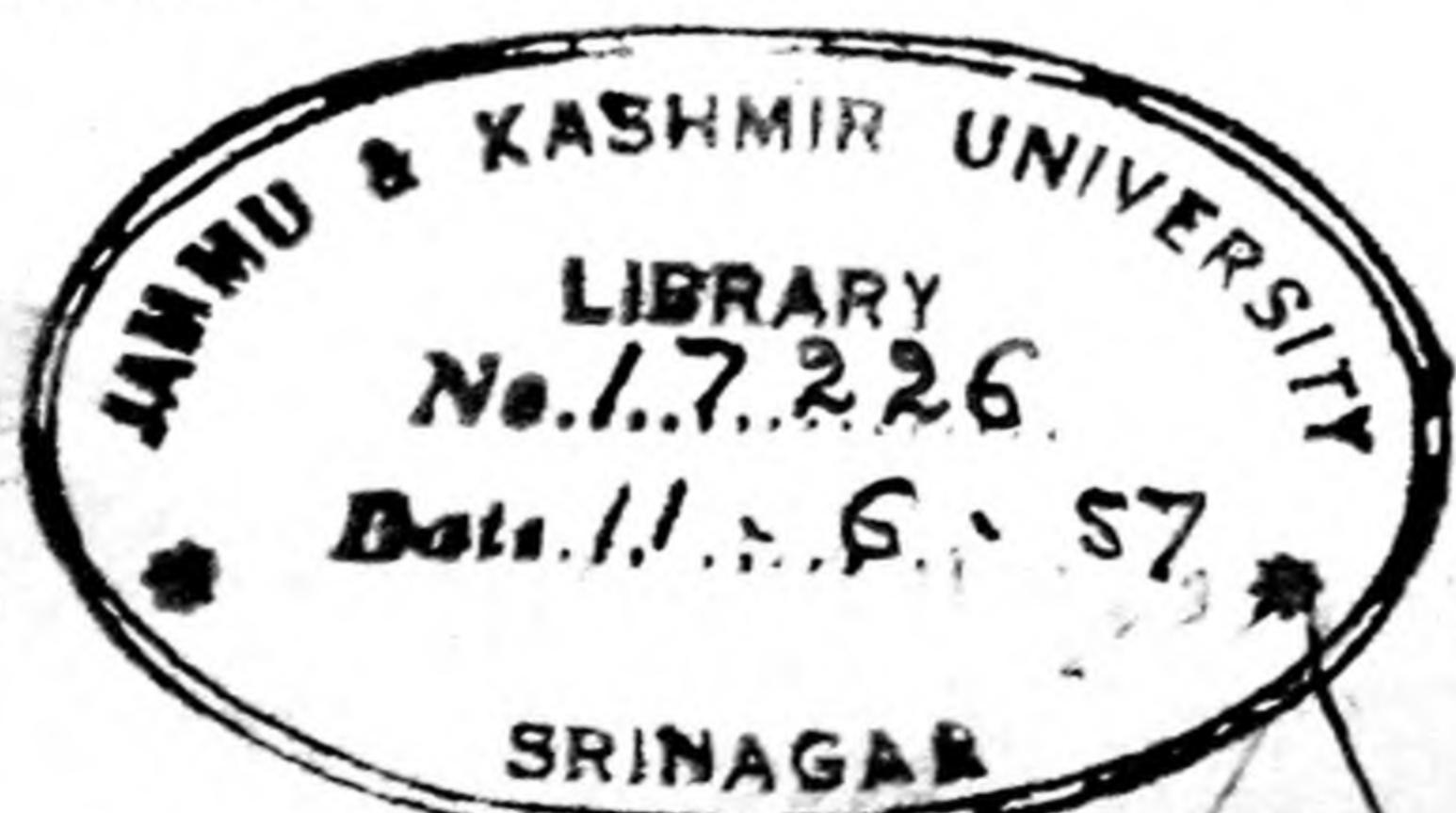
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*Editorial inquiries should be addressed to the Editor, Room 1114, Central Office of Information, Norgeby House, Baker Street, London, W.1
Telephone: Welbeck 4420, Extension 289.*

*Distribution inquiries should be addressed to Room 1121 at the same address
Telephone: Welbeck 4420, Extension 243*

Dollar-Sterling Relations

The Douglas Report

Dollar-sterling relations were the subject of a report by Mr. Lewis W. Douglas, former US Ambassador to the United Kingdom, to President Eisenhower, made public on 24th August. The report, which is a follow-up of the UK-US economic discussions in March [see 12.3.53 1a(9)], describes the progress made so far by the UK Government towards remedying many of the causes of the lack of balance between the dollar and sterling and defines the issues which the United States must face if there is to be an enlarged volume of trade, greater stability of currencies and a wider area of economic freedom. The report recommends that the United States should make a prompt announcement of its intention to simplify its customs practice and relax its restrictive foreign trade legislation, and should take steps to encourage oversea investment and reduce violent fluctuations in raw material prices.

Commenting on the report, President Eisenhower said that it made 'a most valuable contribution towards illuminating the still dark corners of this highly significant matter'. He also stated that he was sending it to Mr. Clarence B. Randall, chairman of the President's Commission on Foreign Economic Policy [see 25.6.53 1e(32)], and to the head of each department and agency in the US administration concerned with foreign economic policy.

The report has been welcomed by the UK Chancellor of the Exchequer, Mr. Butler. Speaking in Essex on 30th August, he said: 'It is on the lines of the policy I, with Mr. Eden, have discussed with the American administration, and on lines on which our two countries would be wise to proceed when the present Commission which President Eisenhower has appointed has had time to consider these problems.'

SUMMARY OF THE REPORT

Tracing the background to the report, Mr. Douglas pointed out that the long-continued lack of balance between the dollar and most other currencies reflected serious maladjustments in world trade which could not be permanently and satisfactorily corrected either by the supply of dollars by the US Government or by restrictions imposed on the convertibility of currencies and on the flow of US goods to other countries.

The importance of these issues was, he recalled, recognized at the Commonwealth Prime Ministers' Conference of November-December 1952 [see *Commonwealth Survey* 19.12.52 1i(19)], which sought a solution through progressively freer trade and convertibility of currencies in co-operation with other countries. At the UK-US discussions in March 1953, both Governments agreed to study the problems further in order that each might judge more clearly what were the steps necessary to achieve the common goal.

Importance of Sterling to the United States

Beginning his review of the current position, Mr. Douglas stressed that the status of sterling and the financial strength of the sterling area deeply affected the national interests of the United States.

'Because sterling is a world currency, its fuller convertibility is essential to the restoration of economic freedom in large parts of the world. Other

currencies may become convertible, but, in the absence of convertibility of sterling, the influence on the international economic environment will be limited. The convertibility of sterling, on the other hand, would have favourable and marked effects on the international economic environment, even in the absence of convertibility of other currencies. Accordingly, as sterling becomes more and more freely transferable into other currencies, particularly into the dollar, the economic choices which individuals enjoy become greater, the dominion of competition and of individual initiative becomes larger, and the area of economic freedom expands. It is doubtful whether the world can recover a high degree of economic freedom or whether American exports—so important to large segments of our country—can enter foreign markets without benefit of continued American subventions and subsidies, unless sterling makes further progress towards its own emancipation. If further progress is not made toward the removal of restrictions on trade and a more unfettered exchange of currencies, it is quite likely that, despite any international political institutions that have been erected or that may be erected in the future, the unity of the free world will remain precarious, and fragile. On these points American national interests are vitally concerned.'

Causes of Lack of Balance

Mr. Douglas then listed the following major causes of the lack of balance between sterling and the dollar:

1. 'the weakening of the United Kingdom's competitive power resulting from the existence of sellers' market conditions and opportunities for protected trade financed by repayment of sterling debt, and also from inflexibility in costs and immobility of resources;
2. 'the change in the pattern and composition of the foreign trade of the United Kingdom;
3. 'the change in the United Kingdom's position from the world's biggest creditor to the world's biggest debtor;
4. 'the greatly increased resources, internal and external, which the United Kingdom has had to devote to defence and oversea commitments generally;
5. 'the inability of the United Kingdom to devote adequate resources to industrial investment because of the burden of defence and indebtedness and the worsened terms of trade with which were associated a high level of total Government expenditure, a protracted burden of heavy taxation and a prolonged shortage of private savings;
6. 'the worsening of the climate for private international investment generally;
7. 'the fluctuation in volume of purchases by business communities of the main exportable commodities of the sterling area, and the resulting movements in price which have often been aggravated by contemporaneous and similar fluctuations in the volume of purchases by governments;
8. 'the maintenance by the United States of trade policies which were more appropriate to a debtor than to a creditor country: the persistent and stubborn maintenance by the United States of the policy of protecting the American market and subsidizing American services which foreign enterprise can more effectively and cheaply render.'

* A review of these causes, Mr. Douglas continued, made it 'crystal clear' that monetary measures alone could not solve the problem of counteracting the increasingly persistent tendency of the United States to show surpluses in its balance of payments with the rest of the world.

On sterling convertibility, Mr. Douglas warned against the 'risk of repeating the ill-timed and ill-fated experiment in convertibility which was undertaken, at our insistence, in 1947'. He pointed out that, although the sterling area's gold and dollar reserves had recently shown a welcome increase, the increase was only modest in relation to current and future commitments.

UK Progress Towards Economic Freedom

Mr. Douglas praised the 'significant record of achievement' of the British Government in working towards economic freedom. 'It has', he said, 'inaugurated a programme which is designed to foster the formation of private capital and the restoration of enterprise, and to encourage a resurgence of individual initiative. It has pursued monetary and credit policies aimed at control of domestic inflationary pressures and a return to a freer money market. It has made a new approach toward its budgetary problems. It has initiated modest reductions in taxes to stimulate the accumulation of venture capital. It has largely removed the subsidies on food. It has deregulated many articles of consumption and manufacture which were formerly, by Government dicta, distributed in restricted amounts. It has re-opened many commodity markets and has announced the future opening of others. It has removed some of the restrictions which formerly existed on the flow of trade. It has attempted to provide leadership in re-establishing sound principles of monetary control throughout the sterling area.' He added that more, however, remained to be done if sterling were to acquire sufficient strength and resilience to stand the rigorous test of convertibility. It was for the British Government to devise its own further corrective measures.

What the United States Could Do

It was, however, for the United States to commence to remove from its own policies the impediments to freer trade and currencies. For thirty years, Mr. Douglas continued, the United States had maintained import barriers operating against the re-establishment of international economic health. Whilst a liberalization of US trade policy might not by itself rectify the dollar-sterling unbalance, it would 'contribute substantially to the creation of an environment of world trade in which convertibility, at the appropriate time, could be safely considered with confidence that it would endure'.

It would obviously take time for the United States to pass the necessary legislation, but it would be unfortunate if, because of such delay, the Governments of the United Kingdom and the Commonwealth were forced back into increasing restrictions and controls. 'As a means of encouraging further advances in the direction of economic liberty, sustaining the enthusiasm for, and maintaining the impetus toward, an enlarged volume of commerce, the United States Government, during the interval in which legislation is being awaited, could do nothing more helpful, or indeed more urgently required, than to make a prompt announcement that it is the determined policy of this country to work toward simplification of our custom practices and a progressive, vigorous and consistent relaxation of our restrictive foreign trade legislation.'

United States Investments in Other Countries

Mr. Douglas considered that there was little hope that United States private investment in other countries generally would increase sufficiently in the near future to provide a solution to the problem of the lack of balance between the dollar and other currencies. Amongst the impediments to such an increase were the greater opportunities for profitable employment of capital within the United States itself and the difficulties which arose from double taxation, discrimination in other countries against US capital, and political risks of expropriation. Some of these impediments could be removed: others might be progressively diminished. Meanwhile, 'a combination of agencies of Governments working in association with private management and capital' might help considerably.

'The International Bank, for example, provides a method by which an environment favourable to private investment can be created. The provisions of the indenture of an International Bank loan, more than the amount of credit which it extends, can define the terms upon which investments of private funds might be made with reasonable immunity against most of the political hazards. On the British side, the Commonwealth Development Corporation has been established with headquarters in London and may well afford a vehicle for the investment of American dollars in association with sterling within the sterling area.

'Still another device which may merit exploration is the participation of American banking houses in sterling loans made by London banks with some sort of British guarantee of a rate of exchange and an Export-Import Bank guarantee of the transferability of the participating dollars. Such a device—a combination of guarantee as to rate and transferability—might apply generally to all dollar investments made in the United Kingdom or in other parts of the sterling area.

'Finally, in addition to the questions of trade and investment policies already reviewed, we should seek to develop measures to abate the violent fluctuations in the prices and the volume of the major raw materials that enter into international trade. This single phenomenon of the post-war period has produced strikingly adverse effects upon the trade of the United Kingdom, the sterling area, and Western Europe. Without recommending inter-governmental commodity agreements, the history shows that this is a problem that deserves more study.

'One important approach might be to develop co-ordination between governments so that purchases by public agencies may be diminished when the business community is building up inventory, and increased when the business community is liquidating inventory, thereby using government purchases, to the extent they are necessary for other reasons, for the purpose of mitigating the effect of the cyclical movements in these critical materials.'

International Sugar Conference

Agreement Signed in London

On 24th August 1953, an International Sugar Conference, convened by the Secretary-General of the United Nations at the request of the International Sugar Council, ended deliberations, which had started on 13th July 1953, in the signing by the 51 participating countries¹ of a draft International Sugar Agreement. The agreement is for five years, but it will be reviewed after three. Providing a sufficient number of governments ratify it, or give assurance of ratification, it will come into full effect on 1st January 1954.

The United Nations was concerned in the meeting because of its interest (through the Interim Co-ordinating Committee for International Commodity Arrangements) in international commodity agreements. The UN Food and Agriculture Organization (FAO) was represented at the conference.

The United Kingdom acted as host and the delegates, who were welcomed by the UK Minister of Food, Mr. Gwilym Lloyd George, unanimously elected Sir Wilfred Eady, leader of the UK delegation, as chairman. Baron Kronacher of Belgium was first vice-chairman, and Dr. Troncoso, of the Dominican Republic, second vice-chairman.

PREVIOUS AGREEMENTS

Attempts at international regulation of world sugar started early in the nineteenth century.

Brussels Convention

In 1902 the so-called Brussels Convention had as its aims 'to equalize the conditions of competition between beet and cane sugar from various countries', and (in common with its successors) 'to promote the consumption of sugar'. Originally in force for 5 years, but subsequently prolonged, this convention was automatically ended on the outbreak of war in 1914.

The Chadbourne Agreement

In the inter-war years, heavy surpluses threatened as a result of increased world supply and lack of effective demand. The Chadbourne Agreement (named after Thomas L. Chadbourne who led a Cuban delegation to Europe) signed in Brussels in 1931 by the main exporters only, established for a period of 5 years export quotas to reduce surplus stocks. In this respect the scheme was a success; in others (e.g. prices) it was a failure owing to general world conditions and the increased production and exports of non-signatory countries.

International Sugar Agreement, 1937

At the conclusion of the Chadbourne Agreement, the International Sugar Council, which was its executive organization, remained in existence and administered the International Sugar Agreement of 1937. This agreement, which had a wider basis than the Chadbourne Agreement in

¹These included both large and small exporters and large and small importers, as well as countries that produce their own supplies and those that engage in re-export or manufacture of sugar-containing products. The People's Republic of China, prospectively an expanding importer, and Eastern Germany, an expanding exporter, were not present, but provision is made for non-participants to accede to the agreement if circumstances allow.

that it covered four of the main importers as well as the main exporters, terminated on the outbreak of war in 1939.

THE PRESENT AGREEMENT

The International Sugar Council, however, continued to operate. In 1948 it set up a special committee to study the issues involved in reaching a new agreement. This committee produced in 1949 a draft agreement, the final revision of which, issued as a document of the UN Economic and Social Council (ECOSOC), was used at the 1953 conference as the basic working paper.

Free and Preferential Markets

The present agreement is a scheme to regulate only the 'free' world market in sugar. For political, strategic and other reasons, governments have for many years subsidized or in other ways protected beet sugar production in temperate climates, and have also conceded import preferences to oversea producers with whom they have a political affinity. Thus two world markets have been created. The protected and mainly high-cost market, and the unprotected and mainly low-cost 'free' market. Of total world production of about 35 million tons and total world exports of some 12 million tons, exports to the 'free' market amount to only about 5 million tons. The largest importer, the United States, hardly buys any sugar in the 'free' market. The United Kingdom, the second largest importer, takes well over 1 million tons of 'free' sugar but obtains most of its requirements from the Commonwealth under the Commonwealth Sugar Agreement of 1951 [see *Commonwealth Survey* 18.1.52 1h(2)].

Objectives

The objectives of the new agreement are:

- (1) to assure sugar supplies to importers, and markets to sugar exporters, at equitable and stable prices;
- (2) to increase world sugar consumption;
- (3) to provide adequate returns to producers, thus making possible the maintenance of fair standards of labour conditions and wages.

International Sugar Council

An International Sugar Council is to be set up to administer the agreement. Each participating country will have the right to be represented on the Council and to vote on matters before it. Voting rights of participating countries are evenly divided between importing and exporting countries, and, within these two groups, further distributed roughly according to the volume of their imports or exports of sugar, respectively.

The Council is also specifically charged with the responsibility of making a variety of studies into matters affecting the sugar industry, such as taxation, consumption and research. Expenses incurred by the Council in conducting these surveys, as well as in the general administration of the agreement, are to be met from annual contributions by participating countries in proportion to their voting rights. The first meeting of the Council will be held in London on 16th December 1953.

Principal Features

The principal feature of the new agreement is that the Council will, before the beginning of each calendar year, estimate net requirements on

the free market in the ensuing 12 months. The Council will be assisted in this by information from importing countries about their prospective purchases from non-members (which it has been agreed shall not rise above the level of 1951-53).

In the light of its estimate, the Council will then assign export quotas to the various producers exporting to the free market; these will be expressed as a proportion of their basic quotas, summarized in the following table:

PRINCIPAL SUGAR EXPORTERS

tons

Countries	Approximate Exports in 1951/52		Basic Quotas under New Agreement
	Preferential Markets	Free Market	
Cuba	2,816,000	2,363,000	2,225,000
Dominican Republic		524,000	600,000
Formosa		450,000	600,000
Peru		304,000	280,000
Indonesia		7,000 (a)	250,000
Philippines	636,000	100,000	25,000
UK Dependencies (b)	1,391,000		
Australia and South Africa (b)	116,000 (c)		
Others	2,041,000	1,252,000	1,410,000
TOTAL	7,000,000	5,000,000	5,390,000

(a) Indonesia exported over 1 million tons in 1937/40.

(b) All Commonwealth sugar production is covered by the Commonwealth Sugar Agreement and therefore none of it enters into the free market, so that no basic quota is allotted [see also *Commonwealth Survey* 11.9.53 1d].

(c) Annual average exports from Australia and South Africa in 1949/51 were 456,000 tons.

Exporters undertake to export no more and no less than their permitted quotas. Any changes that are notified to the Council will be redistributed among the other exporters on a *pro rata* basis. Exporters also undertake to adjust their production to the needs of domestic consumption, permitted exports and a specified level of stocks.

Prices

The agreement establishes a 'stabilization zone' for prices, with an upper limit of 4.35 US cents per lb. and a lower limit of 3.25 cents. The agreement does not attempt to lay down what the price of sugar on the free market shall be or ought to be on any particular day. The price provisions are, in fact, designed to stabilize prices within a range, without impairing the free operation of supply and demand within that range. When, however, the price rises above or falls below the range, or when price trends indicate that this is about to happen, the quotas of countries exporting to the free market will be raised or lowered in order to equate supply with demand. Export quotas will not, however, in any circumstances be reduced below 80 per cent of basic export tonnages.

Imports from Hungary

Exceptional Restrictions Lifted

It was announced by the UK Board of Trade on 27th August that the special restrictions imposed on imports from Hungary during the imprisonment of Mr. Edgar Sanders would, following his release on 18th August, no longer apply.

Background

On the 21st November 1949, Mr. Edgar Sanders, a British subject employed by the Standard Electric Company, a US firm operating in Hungary, was arrested by the Hungarian authorities. Two days later, the latter announced that he and Mr. Voegeler, a United States citizen, were accused of espionage and sabotage. Mr. Voegeler, Mr. Sanders and others were publicly tried from 17th to 21st February 1950, and Mr. Sanders was sentenced to thirteen years' imprisonment. The UK Government of the time stated on 21st February 1950, that Mr. Sanders' 'confession' at the trial was 'a compendium of distortions and lies' which clearly showed that he had been subjected to special conditioning beforehand [see 24.2.50 4b p.23]. This was confirmed in a statement made to the Press on 18th August 1953 by Mr. Sanders himself.

Mr. Sanders was held completely *incommunicado* from the day of his arrest throughout his term of imprisonment, despite repeated requests, that, in accordance with international practice, a British consular officer should be allowed to see him in order to see that he was being properly treated. For this reason, in December 1949, the UK Government suspended trade and financial negotiations with Hungary and ceased to grant licences for the import of Hungarian goods. In consequence, Hungary's trade with the United Kingdom fell from £6.8 million in 1949 to £12,000 in 1952. Following the sentence on Mr. Sanders, negotiations were started for his release which would involve the resumption of trade and financial negotiations. These continued unsuccessfully until December 1952, when the Hungarian Government announced that they were not prepared to release Mr. Sanders in return for economic concessions. Meanwhile Mr. Voegeler had been released in return for certain concessions by the US Government on 28th April 1951.

Early in 1953, the Hungarian Government offered to release Mr. Sanders in exchange for Lee Meng, a Chinese woman Communist imprisoned in Malaya, an offer which the UK Government were unable to accept. On 3rd August, the official Hungarian Communist newspaper *Szabad Nep* called for 'trade with the capitalist countries' based on mutual economic interests. On 17th August, Budapest radio announced that the Hungarian Presidential Council had 'granted a pardon' to Mr. Sanders as a result of an appeal from his wife.

German and Austrian Treaties

Western Notes Propose Meeting of Foreign Ministers

On 2nd September the three Western Powers sent replies to the Soviet Notes on a German peace settlement which had been delivered to the French, UK and US Governments on 4th August [see 6.8.53 1a(64) and 2a(167)] and 15th August [see 20.8.53 2a(184)]. The replies proposed a meeting of the Foreign Ministers of France, the United Kingdom, the United States and the Soviet Union on 15th October at Lugano in Switzerland, since 'progress is more likely to be made by discussion of these problems than by a further exchange of Notes'. The text of the United Kingdom Government Note is given below. The Note specifically confined itself 'to the problems of an urgent nature which arise in connection with the meeting of Foreign Ministers proposed in their Note of July 15' [see 23.7.53 2a(159)] and stated that a solution of the German and Austrian problems 'could be expected to pave the way for fruitful discussion of other major questions'. Some of these, the Note pointed out, had already been entrusted to such international organizations as the United Nations, or to international bodies such as the political conference on Korea.

Germany

The 'complicated' Soviet procedure for dealing with the German problem, the UK Note stated, envisaged a series of devices which would postpone indefinitely the holding of free elections—'the key to any all-German settlement'. The meeting of Foreign Ministers should concentrate in the first instance on this question and on the status of the future German Government. The earlier UK Note to the Soviet Government had not made any prior condition that an investigating commission should be established, as the Soviet Government appeared to think.

Austria

The Note also referred to the question of the Austrian treaty and expressed regret at the Soviet refusal, in their Note¹ of 29th August, to attend the proposed meeting of the Austrian treaty deputies on 31st August.

It emphasized that the UK Government had never considered that the re-establishment of the freedom and independence of Austria should be dependent on progress towards a solution of the German problem, stated that 'nothing should now prevent the conclusion of an Austrian peace treaty', and expressed the hope that 'the Foreign Ministers will be able to agree upon the Austrian State treaty when they themselves meet'.

¹This Note was in reply to the Western Notes of 17th August [see 20.8.53 2a(187)] proposing a further meeting of the Austrian treaty deputies, who should report to their Foreign Ministers in order that their Foreign Ministers might then consider and conclude an Austrian treaty. The Soviet Note claimed that the Western Notes did not contain 'a satisfactory answer regarding the question of the Austrian treaty'; that the agreement to abandon the 'abbreviated treaty' was subject to 'certain prior conditions' which could only lead to 'new complications and delay'; and argued that the calling of a conference of the Austrian treaty deputies 'pertains to the competence of the Council of Foreign Ministers, which in this instance has not considered this problem'.

TEXT OF THE UNITED KINGDOM NOTE

The following is the text of the Note from the United Kingdom Government to the Soviet Government, delivered on 2nd September:

'Her Majesty's Government in the United Kingdom, in their customary close consultation with the Governments of France and of the United States, have carefully studied the Soviet Government's Notes of 4th and 15th August 1953, which were in reply to the proposals presented on 15th July by the three Western Powers. The Government of the German Federal Republic and the German authorities in Berlin have also been consulted.

'Her Majesty's Government have no intention once again to refute the Soviet Government's criticism of the policy followed by the three Powers, nor of thus prolonging a sterile discussion which can only be harmful to the cause of peace.

'Her Majesty's Government therefore fully reserve their position in regard to the various allegations in the Soviet Government's Notes of 4th and 15th August, and will confine their comments to the problems of an urgent nature which arise in connection with the meeting of the Foreign Ministers proposed in their Note of 15th July.

'Real progress towards peace and towards a lessening of international tension would be achieved were it possible to find an early solution of some of the existing problems concerning Germany and to conclude the Austrian State Treaty. It therefore appears desirable that the meeting of the Foreign Ministers should devote itself to these problems, whereas to inject into the discussion a series of other complex questions, as proposed by the Soviet Government, could only delay and prejudice the success of the talks. A solution of the German and Austrian problems could be expected to pave the way for fruitful discussion of other major questions. Her Majesty's Government also wish to point out that the study of some of these other questions has already been entrusted to such international organizations as the United Nations, or to international bodies such as the Political Conference on Korea where the Chinese People's Republic will be represented. The latter's participation in the proposed meeting of the Foreign Ministers of the four Powers could not therefore be justified.

'The Soviet Government have suggested a procedure for dealing with the German problem which appears complicated, and work on such a basis could, at best, only be long drawn out.

'The Soviet Government's Note of 15th August envisages, in effect, a series of devices which would result in postponing to some indeterminate date the holding of free elections in the Federal Republic, in the Eastern Zone of Germany and in Berlin. An all-German Government which is not based on the will of the people as expressed in free elections would not be qualified to take vital decisions affecting the future of the united Germany. The problem of free elections is thus the key to any all-German settlement. Her Majesty's Government therefore consider that the meeting of the Foreign Ministers should devote itself to the German problem, the solution of which is an essential part of a world settlement, and concentrate in the first instance on the question of free elections and the status of the future German Government.

'Furthermore it must be pointed out that when Her Majesty's Government proposed in their Note of 15th July that the problem of free elections be considered first, they did not make any prior condition that an investigating commission be established. It seems, therefore, that on this point the Soviet Government have misinterpreted the terms of this Note.

'Her Majesty's Government have never considered that the re-establishment of the freedom and independence of Austria, which, by the terms of the Moscow Declaration of November 1943, must be regarded as a liberated country, should be dependent upon progress towards a solution of the German problem. They consider that these two problems are quite distinct. In their view nothing should now prevent the conclusion of an Austrian Treaty. Her Majesty's Government therefore regret the failure of the Soviet Government to accept their proposal that the Austrian Treaty Deputies should meet on 31st August. It nevertheless remains their hope that the Foreign Ministers will be able to agree upon the Austrian State Treaty when they themselves meet.'

'Her Majesty's Government are convinced that progress is more likely to be made by discussion of these problems than by a further exchange of Notes. Consequently they renew their invitation to the Soviet Government to participate in a meeting of the four Foreign Ministers, which could take place on 15th October at Lugano. They understand that this would be agreeable to the Swiss Government.'

North Atlantic Treaty Organization

Broadcast by Lord Ismay

On 28th July, Lord Ismay, Secretary-General of NATO, gave a broadcast address on the BBC Home Service on the achievements and importance of the North Atlantic Treaty Organization. The full text has been issued as *Appendix to International Survey* No. 133 (I. 2a), under the title *Insurance for Peace*.

New C-in-C of 2nd TAF Appointed

It was announced on 9th August that Air Vice-Marshal Sir Harry Broadhurst had been appointed C-in-C of the UK Second Tactical Air Force, Germany, in succession to Air Chief Marshal Sir Robert Foster, who also commands the Second Allied Tactical Air Force [see 16.4.53 2a(95)]. He will take up his appointment in January 1954, with the rank of Acting Air Marshal.

Air Vice-Marshal Sir Harry Broadhurst has been Assistant Chief of the Air Staff (Operations) since May 1952. Before that, he served as Senior Air Staff Officer, Second Tactical Air Force (formerly known as the British Air Forces of Occupation) in Germany from February 1950.

Mediterranean Command Conference at Malta

A conference between the Commander-in-Chief Allied Forces Mediterranean, Admiral Mountbatten, and his Area Commanders of the Allied Mediterranean Command, took place on 2nd September 1953. Among the senior officers attending this conference were: Admiral Fife, Jr., United States Navy, Deputy Commander-in-Chief, Allied Forces Mediterranean; Air Vice-Marshal B. V. Reynolds, RAF, Deputy Commander-in-Chief Allied Forces Mediterranean (Air); Rear-Admiral St. J. A. Micklethwait, RN, Commander Gibraltar Sub-Area; Vice-Admiral L. M. P. A. Sala, French Navy, Commander Western

Mediterranean; Vice-Admiral M. Girosi, Italian Navy, Commander Central Mediterranean; Vice-Admiral P. Lappas, Royal Hellenic Navy, Commander Eastern Mediterranean; Vice-Admiral W. W. Davis, RN, South East Mediterranean. Admiral S. Altincan, Turkish Navy, Commander North Eastern Mediterranean; Air Commodore G. G. Barrett, RAF, Air Officer Commanding Gibraltar.

Representatives from Commander-in-Chief Southern Europe, and Commander-in-Chief US Naval Forces Eastern Atlantic and Mediterranean, also attended.

The conference, which was the second to be convened, was held for the first time in the new headquarters of Allied Forces Mediterranean now established in Floriana overlooking the Grand Harbour of Malta. A feature of the conference was an address by General Gruenther, Supreme Allied Commander Europe, who also had talks with Admiral Lord Mountbatten and the area commanders.

Defence of Malta Exercise, 1953

The exercise *Defence of Malta* 1953, in which the sea, air and land defences of Malta received their annual testing, took place from 12th to 14th August. The 'attackers' consisted of the US 6th Fleet and a small force of British bombers. Defending the island were units of the Royal Navy, Army and Royal Air Force normally based on Malta, together with a Royal Australian Air Force fighter wing, a Royal New Zealand Air Force fighter squadron, an RAF night fighter squadron and a detachment of Royal Marine Commandos. Malta's civil defence organization, which now covers Gozo as well as Malta, and the Malta police and women personnel of the RAF Volunteer Reserve (Malta), also took part. The defence of the island was co-ordinated by the Fortress Commander. The exercise culminated in an assault landing by the amphibious attack force of the US 6th Fleet.

For the part played by the RCAF and RNZAF squadrons, see COMMONWEALTH SURVEY 14.8.53 1b(56).

NATO Officials Attend UK Exercise 'For'ard On'

Problems arising from the use in war of atomic weapons were the subject of an exercise, called *For'ard On*, held at the United Kingdom Staff College, Camberley, in August. The exercise was under the direction of Field Marshal Sir John Harding, Chief of the Imperial General Staff [see *Home Affairs Survey* 18.8.53 1b(62)].

In addition to representatives of the United Kingdom and other Commonwealth countries, a number of representatives of NATO were invited, including General Gruenther, Supreme Allied Commander Europe, Field Marshal Montgomery, Deputy Supreme Allied Commander Europe, and staff officers from Supreme Allied Headquarters Europe (SHAPE).

UK Air Defence Exercise 'Momentum'

The 2nd and 4th Allied Tactical Air Forces of NATO Allied Air Forces Central Europe (AAFCE) [see 16.4.53 2a(95)] and the 3rd Air Force and 7th Air Division of the United States Air Force took part in the Royal Air Force air defence exercise *Momentum*, in the United Kingdom from 14th to 23rd August [see *Home Affairs Survey* 1.9.53 1b(68)].

Exercise 'Welfast'

The United Kingdom Admiralty announced on 31st August that plans for the joint NATO training exercise *Welfast*, to be held in the Southern European and Mediterranean Command areas, had been completed. This large-scale defence training exercise will begin late in September.

Exercise *Welfast* will be directed jointly and concurrently by the Allied Forces Southern Europe Commander, Admiral William M. Fechteler, USN, and the Allied Forces Mediterranean Commander, Admiral Lord Mountbatten, RN.

It will test and strengthen the readiness of land, sea and air forces to operate and manoeuvre in the defence of SHAPE's Southern European and Mediterranean Command area. Greek, Italian, Turkish, American and British forces will participate.

UK Minister Visits NATO Installations

Mr. Nigel Birch, MP, Parliamentary Secretary to the Ministry of Defence, has visited Italy, Belgium, the Netherlands, Denmark, Norway and France in a ten-day tour of NATO installations which started on 24th August. He saw NATO military bases, airfields and other 'infrastructure' projects and also visited the British military base near Antwerp [see 31.12.52 1f(115)]. At SHAPE in Paris, he met the Supreme Commander and other senior officers and, while in Oslo, he visited the headquarters of General Mansergh, Allied Commander-in-Chief, Northern Europe.

Series of Visits by General Gruenther

Since taking up his appointment as Supreme Allied Commander Europe, in July, General Gruenther has paid visits to NATO countries to meet their political and military leaders and has also inspected NATO forces and conferred with NATO commanders.

Early in August he made a five-day inspection of French, British and US forces in Germany and conferred with General Sir Richard Gale, Commander-in-Chief Northern Army Group. Towards the end of the month, he went on a seven-day trip to Norway and Denmark, where he was received by King Haakon VII and King Frederik IX, met political and military leaders of both countries and inspected installations and troop units. While in Oslo, the headquarters of Allied Forces Northern Europe, he conferred with the Commander-in-Chief, General Sir Robert Mansergh. In Copenhagen, on 31st August, he addressed the Second International Study Conference on the Atlantic Community [see below].

On 2nd September General Gruenther paid a flying visit to the Malta headquarters of Allied Forces Mediterranean, where he conferred with the Commander-in-Chief Admiral Lord Mountbatten and addressed the area commanders and other officers of the staff, who were attending their second annual conference [see 2a(197)]. General Gruenther then called at Rome before returning to Paris.

International Conference on NATO Community

The Second International Study Conference on the Atlantic Community was held in the Parliament Buildings, Copenhagen, from 30th August to 5th September. The conference was addressed on the second day by

General Gruenther. Organized by the International Atlantic Committee¹ in co-operation with the Danish Society for the Atlantic Pact and Democracy, the objects and scheme of the conference, which was unofficial, were similar to those of the first International Study Conference held in Oxford in September 1952 [see 2.10.52 1f(97)]. Its purpose was defined as follows: 'To develop a continuous work of popular education, so as to create the greatest measure of mutual understanding and solidarity between the peoples of the North Atlantic Treaty Organization, based upon knowledge of the threat to freedom which called it into being and justified the common effort of rearmament, and of the operations and problems of the organization itself. The aim of all concerned is to make NATO the most effective expression of the community of peoples which it represents.'

Subjects for Discussion

The second conference provided an opportunity of reviewing the progress made and the difficulties encountered in carrying out the recommendations of the first conference. The work was divided among four commissions. The subjects considered included: the desirability of establishing an Atlantic Institute for research into the problems of the development of NATO, the contribution of organized labour to NATO, and the contribution which youth can make towards spreading greater understanding of NATO ideas. Unofficial delegates were present from the 14 member nations of NATO. The British delegation included parliamentarians, labour experts, youth leaders and educationists.

Message from Secretary-General of NATO

The Secretary-General of NATO, Lord Ismay, sent a message to the conference in which he said that it was most important that it should be brought home to the citizens of the NATO community that the threat to their security was 'mortal and undiminished', and that the best, if not the only hope of peace, lay in their continued exertions and their continued solidarity. 'The conference', he said, 'meets at a most timely moment and the International Atlantic Committee in organizing it are rendering a great service in the cause of freedom.'

General Gruenther's Review

General Gruenther, Supreme Allied Commander Europe, addressed the conference on the second day and reviewed the aims and difficulties of NATO in the military sphere. The most critical deficiency, he said, was in the strength of NATO air forces. To meet the threat of the Russian air force—estimated at some 20,000 operational aircraft, of which a large proportion were jet propelled—the NATO air forces must be increased. Referring to the 175 Soviet divisions and approximately 70 satellite divisions, he said that the West had no thought of trying to match that force division for division, but placed its dependence on reserve divisions—but those divisions must be good. General Gruenther described the third major difficulty as one of logistics. Adequate supplies must be available for the forces and there must be a logistic system which enabled them to move those supplies quickly to the place where they were needed. He considered that the next two-and-a-half-year period would probably

¹The first International Study Conference was organized by a fourteen-nation committee under the chairmanship of Lord Duncannon, one of the Governors of the British Society for International Understanding. As a result of one of the recommendations of this conference an International Atlantic Committee was set up in London in November 1952 [see 14.5.53 2a(116)]. Its first president is Mr. O. B. Kraft, Foreign Minister of Denmark.

be more difficult than the past two-and-a-half-year period. There was no evidence, he said, that the armed strength of the Soviet *bloc* was growing weaker. Indications were, on the contrary, that it was increasing.

Yugoslav Autumn Manoeuvres

CIGS to Attend

Field Marshal Sir John Harding, Chief of the Imperial General Staff, has accepted an invitation to visit units of the Yugoslav Army after his return from Canada on 12th September [see *Commonwealth Survey* 28.8.53 1b(59)].

He will watch the Yugoslav autumn manoeuvres, which will be the biggest ever held in Yugoslavia. Greece and Turkey, co-signatories with Yugoslavia of the Treaty of Ankara [see 12.3.53 2a(57)], have also been invited to send representatives, as well as Egypt, whose delegation is already touring Yugoslav military establishments.

Council of Europe

UK Representatives to Consultative Assembly

The Consultative Assembly of the Council of Europe is meeting on 15th September for two weeks. It will be preceded by a meeting of the Committee of Ministers on the 14th.

The principal subjects for debate will be the position of the Council of Europe 'in the light of recent developments in the international situation', the report of the OEEC, progress made in formulating the statute of the European Political Community and progress achieved in the sphere of European defence. The agenda also includes the election of a Secretary-General to succeed M. Jacques Camille-Paris who was killed in a road accident on 17th July.

Mr. J. Foster, Permanent Under-Secretary of the UK Commonwealth Relations Office, will lead the British delegation from 15th-19th September, and Mr. Anthony Nutting will take charge of the delegation from the 20th September to the end of the meeting.

Members of the delegation, who are all Members of Parliament, are:

Conservative

Mr. J. Amery	..	..	..	(delegate)
Sir R. Boothby	..	..	..	"
Lord Goschen	..	..	..	"
Mr. C. Hollis	..	..	..	"
Lord John Hope	..	..	..	"
Mr. H. Montgomery Hyde			..	"
Mr. H. Longden	..	..	..	"
Mr. R. McMillan Bell	..	..	..	"
Sir E. Boyle, Bt.	..	..	..	(alternate)
Mr. P. Smithers	..	..	..	"
Mr. R. C. Broome White			..	"
Lord Merthyr	..	..	..	"

Liberal

Lord Layton	(delegate)
Mr. D. W. Wade	(alternate)

Labour

Mr. A. Robens	(delegate)
Mr. G. Brown	"
Mr. A. G. Bottomley	"
Dr. E. Summerskill	"
Mr. H. W. Bowden	"
Mr. Geoffrey de Freitas	"
Mr. D. W. Healey	"
Mr. W. Ross	"
Mr. G. R. Chetwynd	(alternate)
Mr. R. H. S. Crossman	"
Mr. T. F. Peart	"
Rev. L. Williams	"

Background information on the Council of Europe will be found in the Reference Paper R. 2396 (I. 1g) of 8.5.52, THE UNITED KINGDOM AND THE COUNCIL OF EUROPE. For activities of the Council of Europe subsequent to that date see INTERNATIONAL SURVEY 12.6.52 1g(34/41), 16.10.52 1g(49), 12.2.53 2a(39), 30.4.53 2a(104), 28.5.53 2a(126). Assembled Biographies of delegates (who are the same as for the meeting in May 1953) were sent out in May 1953 under the title COUNCIL OF EUROPE: CONSULTATIVE ASSEMBLY BRITISH REPRESENTATIVES, May 1953.

Human Rights Convention Comes into Force

The Convention of Human Rights signed in November 1950 by the fifteen member countries of the Council of Europe came into force on 3rd September with the deposit of the ratification of Luxembourg. The Convention required the ratification of ten countries for it to become effective. The ten countries in order of ratification are: the United Kingdom, Sweden, Norway, the German Federal Republic, the Saar, the Irish Republic, Greece, Denmark, Iceland and Luxembourg.

Korea

General Assembly Decisions on Political Conference

The UN General Assembly on 28th August adopted by 43 votes to 5 (the Soviet bloc) with 10 abstentions the 15-nation resolution [see 20.8.53 2c(79)] dealing principally with the composition of the UN representation at the forthcoming political conference on Korea. The Assembly also adopted, by 55 votes to 1 with 1 abstention, a resolution recommending Soviet participation at the conference [see 20.8.53 2c(79)].

Two other resolutions introduced or discussed during the second half of the debate were also adopted. The first of these, sponsored by the same 15 nations as the main resolution on participation, stated that:

The General Assembly; having recalled the various resolutions on Korea adopted by the Security Council and the General Assembly from June 1950 to December 1952; and having noted both the reception of the UN Commander's special report of 7th August [see 20.8.53 2c(74)], and 'with profound satisfaction' the conclusion of an armistice; saluted the 'heroic soldiers of the Republic of Korea and of all those countries which sent armed forces to her assistance', paid tribute to all those who died in resisting aggression, and finally expressed its satisfaction 'that the first efforts pursuant to the call of the United Nations to repel armed aggression by collective military measures have been successful, and expresses its firm conviction that this proof of the effectiveness of collective security under the United Nations Charter will contribute to the maintenance of international peace and security'.

This was adopted by 53 votes to 5 (the Soviet bloc).

The last resolution, adopted by 54 votes to 3 with 1 abstention, was sponsored by Burma, India, Indonesia and Liberia. It requested the UN Secretary-General to communicate the recommendations on the Korean political conference adopted by the General Assembly, together with relevant parts of the proceedings, to the Chinese Peoples' Government and the North Korean Authorities, and then to report to the General Assembly 'as appropriate.'

OTHER RESOLUTIONS ON CONFERENCE PARTICIPATION

The Assembly's Political Committee also had before it, when the debate was continued on 22nd August, two further draft resolutions: the Commonwealth-sponsored resolution recommending India's participation in the political conference and a Soviet draft resolution relating to the membership and decisions of the conference [see 20.8.53 2c(79)].

Proposal for Indian Participation Withdrawn

On 25th August, the Indian representative, Mr. Menon, made it clear that India did not desire to participate in the political conference unless Indian participation was recommended by the Assembly and was afterwards approved by China and North Korea. Then, he said, 'we have to make up our minds in the light of these decisions if we are likely to be useful in promoting peace or whether we should hinder'. He also expressed India's thanks to the Commonwealth sponsors of the draft resolution 'for their confidence in us and for the faith they have in the useful functions which we have performed'.

On the same day, the US representative, Senator Lodge, reiterated his country's opposition to neutral participation [see 20.8.53 2c(80)] and added that in respect of India the attitude of South Korea must be taken into account.¹ He said that, nevertheless, if the scope of the conference were later expanded, the United States would be in favour of India attending.

In a short speech on 26th August, Sir Gladwyn Jebb said that the United Kingdom felt that India should attend the conference 'since she is not only a great Asian State but is also in a particularly good position to play a constructive role'. This was also in accordance with the UK view of the conference as 'being a "round table" rather than a "cross table"'. The United Kingdom was content to await the decision of the Assembly on this question. Sir Gladwyn did not think that any nation, least of all the Republic of Korea, 'a nation which has admittedly been saved from destruction by United Nations action', should attempt to say in advance that it would not agree to any proposal which the UN General Assembly might make.

The draft resolution on Indian participation was carried in the Political Committee on 27th August by 27 votes in favour to 21 against with 11 abstentions. When this resolution came up for consideration in the plenary session of the Assembly, Mr. Menon (India) said that the purposes of peace would best be served by not pressing to a vote the draft resolution concerning India. The New Zealand representative, Mr. Munro, on behalf of the sponsors, said they continued to think that India could play a useful part, but in view of Mr. Menon's statement he asked the chairman not to put the resolution to the vote.

Soviet Proposals Rejected

On 26th August M. Vyshinsky (USSR) tabled a revised version of the Soviet draft resolution [see 20.8.53 2c(79)] which now recommended that the Korean political conference should consist of the original 11 nations proposed, less Sweden and plus the following proposed new members: Czechoslovakia, Indonesia, Syria, Egypt and Mexico.

In his speech introducing this amended draft M. Vyshinsky said that the Soviet resolution alone opened the door to the sitting of the conference. The main 15-nation resolution on participation, he said, would be an ultimatum to the Chinese and North Koreans. On 27th August Sir Gladwyn Jebb (UK) described M. Vyshinsky's speech as 'one of the most unhelpful I have heard' and said that it made him doubt if the USSR wanted a conference.

The Soviet draft was rejected by the Political Committee on 27th August by 41 votes against to 5 (the Soviet bloc) in favour and 13 abstentions. Reintroduced in the plenary session of the Assembly on the 28th August it was again defeated by 42 votes to 5 with 1 abstention.

With the conclusion of the voting on the Korean question the seventh session of the UN General Assembly was formally brought to a close.

Action on UN Resolutions

The UN Secretariat announced on 30th August that the UN recommendations for a political conference on Korea had been duly transmitted to the Chinese Peoples' Government and the North Korean Authorities.

¹On 24th August, the Republic of Korea observer, Dr. Pyun, in a speech, made it clear that his country would find it 'next to impossible to collaborate with India' if the latter participated at the political conference as a UN nominee.

The US Secretary of State, Mr. Dulles, stated on 1st September that a meeting had been held that afternoon at which representatives of the sixteen States with forces under the UN Command, together with the Republic of Korea, had reached a 'general identity of approach' in regard to the time and possible sites for the political conference. The meeting agreed unanimously that in conformity with the 15-nation resolution adopted by the General Assembly on 28th August, the US Government should 'in the light of the discussions at this meeting communicate with the other side and seek to make concrete arrangements for a time and place'.

On 3rd September the US Government formally requested Sweden to transmit to the Chinese People's Government and the North Korean Authorities the UN proposal that the Korean political conference should begin on 15th October and be held in one of the following three cities: Geneva, San Francisco or Honolulu. The US Note expressed the readiness of the United Nations to consider Chinese and North Korean proposals for another alternative site.

Maritime Defence Zone Freed

The UN Commander in Korea, General Mark Clark, announced on 27th August the lifting, from that date, of the enforcement of the maritime defence zone around the coasts of Korea. He said that enforcement of the zone by naval vessels serving under the UN Command had proved 'extremely effective' in prohibiting the entry of enemy agents and contraband into the Republic of Korea, and that the suspension of the zone was 'a further indication of the good faith of the United Nations in observing both the spirit and the letter of the armistice agreement'.

The maritime defence zone was proclaimed by the UN Command on 27th September 1952 [see 27.11.52 1h(135)].

Resisting Aggression in SE Asia

US Statement on UK and French Efforts

In the course of a speech to a national convention of US ex-service men at Indianapolis, Mr. Thruston B. Morton, the US Assistant Secretary of State for Congressional Relations, spoke of the UK and French efforts in resisting aggression in Malaya and Indo-China respectively.

Korea was not an island of Communist aggression, Mr. Morton said, but 'part of a pattern for global conquest', and other nations which had fought with the United States in Korea had contributed a good deal to that struggle elsewhere.

The Communists since 1948 had been fighting a guerilla war in an attempt to take over control of Malaya, 'an area of strategic, political and economic importance, not only to South-East Asia but to the free world as a whole. Our ally, Great Britain, has poured millions of dollars into Malaya to stop the Communists. Today more than 100,000 British and Malayan troops and police are engaged in keeping the Communists from taking over. An additional 250,000 men are being trained as part-time Home Guards to protect the Malayan villages . . .'

In Indo-China 'the French and their Indo-Chinese allies have been fighting the Communists for seven long years'. In January 1953 the French

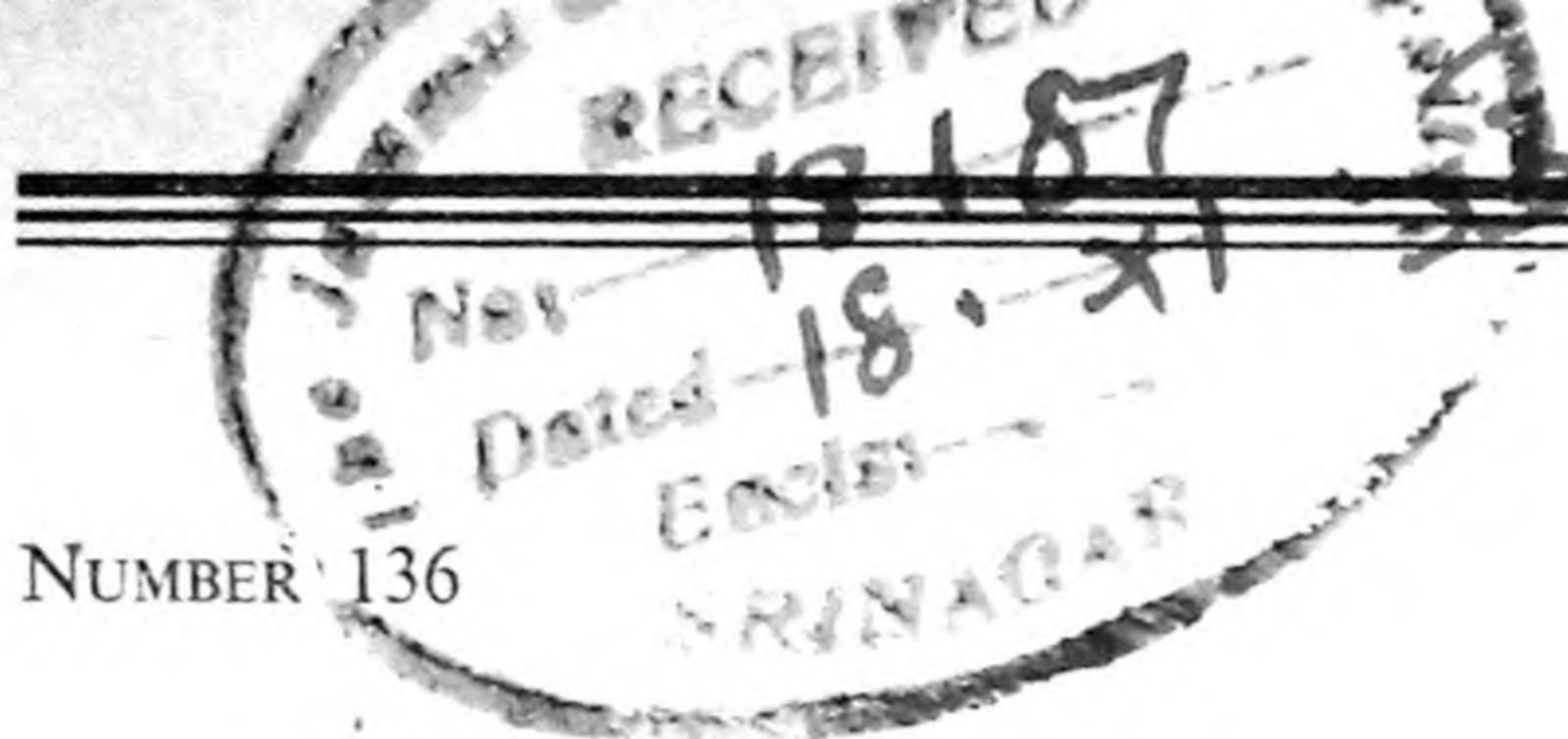
and Associate States' forces in Indo-China had totalled some 517,000 men, 148,000 of them coming from France or from French Union territories, excluding Indo-China. By the beginning of 1953 they had suffered more than 132,000 casualties, 48,000 of them killed or missing. In 1952 alone the French had lost more officers in Indo-China than were graduated annually from Saint-Cyr. France had already spent more than \$350,000,000 to finance the war.

These statistics, Mr. Morton said, demonstrated that the allies of the United States, 'regardless of the number of troops they have had in Korea, are doing a good deal to fight the world Communist menace that many of us don't give them credit for. The losses which we Americans have taken in Korea are grave, but the losses several of our allies have taken in Korea and elsewhere are also grave'.

UK RECRUITMENT IN NEPAL

Details of an agreement recently reached between the Governments of the United Kingdom and Nepal on the recruitment of Gurkhas for the British Army [see 16.10.52 1a(49)] will be found in COMMONWEALTH SURVEY 17.7.53 1b(44).

The background to this agreement and an historical survey of Anglo-Nepali relations will be found in Reference Note No. R.2478 of 6.10.52 (1.1a), THE KINGDOM OF NEPAL.



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*Editorial inquiries should be addressed to the Editor, Room 1114, Central Office of Information, Norgeby House, Baker Street, London, W.1.
Telephone: Welbeck 4420, Extension 289*

*Distribution inquiries should be addressed to Room 1121 at the same address
Telephone: Welbeck 4420, Extension 243*

United Nations General Assembly

Provisional Agenda for Eighth Session

The eighth regular session of the UN General Assembly opened in New York on 15th September. A provisional agenda of 58 items was issued in July and the following month a supplementary list of 13 items appeared. These include the Assembly's routine business, the election of its officers and the general debate.

The following notes give background information on some of the more important subjects with which the Assembly will deal. The agenda is provisional in that the inclusion of any item in the final agenda is at the discretion of the Assembly, which also decides the order in which the items will be taken.

Reports by the UK Foreign Secretary on the first and second parts of the seventh session and summaries of the resolutions adopted, with back references to proceedings, will be found in 12.2.53 1b(3) and 9.7.53 1b(37) respectively.

Reports of the Secretary-General and the Councils

The UN Charter requires the Secretary-General to report each year to the Assembly on the work of the organization as a whole, and this, as well as reports from the Security Council, the Economic and Social Council and the Trusteeship Council, will be considered by the Assembly. The Economic and Social Council's report covers the Council's fifteenth and sixteenth sessions [see 30.4.53 1e(20) and 20.8.53 1b(39)]. The main decisions of ECOSOC on the subject of economic development [see 20.8.53 1b(39-42)] will come before the Assembly, which will consider the ECOSOC resolutions on technical assistance, on an International Finance Corporation and on a Special UN Fund for Economic Development.

The report of the Trusteeship Council covers its twelfth session, held from 16th June to 21st July.

Owing to a new schedule for the examination of the annual reports of administering authorities, the Trusteeship Council this year held only one session and the report deals with its review of only five instead of all eleven trust territories. The territories examined were Somaliland (administered by Italy), the Pacific Islands—Marshalls, Marianas and Carolines—(administered by the United States), Nauru and New Guinea (administered by Australia) and Western Samoa (administered by New Zealand). The report also dealt with the Council's review of the reports of its 1953 visiting mission to the four trust territories in the Pacific, and of the 1952 visiting mission to West Africa, which covered the two Togolands and the two Cameroons (administered by Britain and France respectively) [see *Commonwealth Survey* 19.6.53 2a(35)]. In addition, the report describes in each case the action taken by the Council in respect of petitions from the various trust territories and the Ewe and Togoland unification problem [see *Commonwealth Survey* 20.2.53 2b(13)], as well as several other questions referred to it by the Assembly, such as rural economic development in trust territories, educational advancement of the territories, and administrative unions affecting trust territories.

Elections to the Security, Economic and Social, and Trusteeship Councils

The Security Council consists of five permanent members (China, France, United Kingdom, United States and USSR) plus six non-permanent members elected by the General Assembly for two-year terms. Three other non-permanent members, Colombia, Denmark and Lebanon, will continue till the end of 1954. The terms of Chile, Greece and Pakistan expire at the end of 1953. Election is by two-thirds majority in secret ballot. Retiring members are not eligible for immediate re-election.

Six of the 18 members of the Economic and Social Council retire each year after serving three years on the Council, but are eligible for immediate re-election. The present members of the Council are: Argentina, Australia, Belgium, China, Cuba, Egypt, France, India, Philippines*, Poland*, Sweden*, Turkey, USSR*, United Kingdom*, United States, Uruguay*, Venezuela, Yugoslavia. The six whose terms of office expire at the end of this year are starred.

The Trusteeship Council consists of UN members administering trust territories, permanent members of the Security Council which do not administer trust territories, and as many other non-administering countries, elected by the Assembly for three-year terms, as are required to ensure on the Council an equal number of countries which administer trust territories and of those which do not. The present members of the Council are: Australia, Belgium, France, New Zealand, United Kingdom, United States (administering countries); China, USSR (non-administering permanent members of the Security Council); Dominican Republic*, El Salvador, Syria, Thailand*. Retiring members are starred. Elected members of the Council are eligible for immediate re-election when their terms expire.

The Korean Question

The Assembly will consider the report of the United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK), which is summarized under 2c in this issue.

In accordance with a resolution adopted by the General Assembly on 18th April 1953 [see 16.4.53 2c(32)], the seventh session, which had recessed on 23rd April, was called back by its President on the day he was notified by the UN Command of the signing of the Korean Armistice on 27th July 1953 [see 6.8.53 2c(68)]. The seventh session reconvened on 17th August to discuss arrangements for the special Political Conference recommended in Article 60 of the Armistice Agreement. The Assembly adjourned on 28th August after adopting a resolution recommending that 'the sides contributing forces under the Unified Command in Korea shall have as participants in the Conference those among the member States contributing armed forces pursuant to the call of the United Nations which desire to be represented, together with the Republic of Korea'. The resolution further recommended that the Government should arrange with the other side for the Political Conference to be held not later than 28th October 1953, at a place and on a date satisfactory to both sides. The Assembly also recommended participation of the Soviet Union in the Political Conference, 'provided the other side desires it' [see 3.9.53 2c(84)].

Also on the agenda is the report of the United Nations Agent-General for Korean Reconstruction (UNKRA). An account of the work of this body was given in the issue of 25.6.53 2c(56), and a brief reference to its recent activities and plans will be found in 2c(92) in this issue.

Admission of New Members

A 19-member Special Committee on the Admission of New Members was established by the General Assembly in its resolution of 21st December 1952, and instructed to make a detailed study of the question of the admission of States to membership in the United Nations [see 29.1.53 1b(1)].

The Committee which met between 31st March and 15th June reported that none of the courses proposed had proved generally acceptable. It decided that no vote would be taken on the various proposals and suggestions and that no specific recommendations would be submitted to the Assembly.

Disarmament

A resolution of the sixth session requested the Disarmament Commission to continue its work for the development by the United Nations of comprehensive and co-ordinated plans providing for: (a) the regulation, limitation and balanced reduction of all armed forces and armaments; (b) the elimination and prohibition of all major weapons, including bacteriological, adaptable to man's destruction; (c) the effective international control of atomic energy to ensure the prohibition of atomic weapons and the use of atomic energy for peaceful purposes only; the whole programme to be carried out under effective international control in such a way that no State would have cause to fear that its security was endangered [see RF.P.2543 (I.1c) of February 1953—*The Disarmament Question*].

The Commission met on 20th August and unanimously approved a report stating the hope 'that recent international events will create a more propitious atmosphere for the reconsideration of the disarmament question,'

Germ Warfare

A resolution adopted during the seventh session on 23rd April 1953 recommended that, upon notification that the Governments and authorities concerned were prepared to co-operate in an impartial investigation of the charges of the use of germ warfare by United Nations forces in Korea, a Commission composed of Brazil, Egypt, Pakistan, Sweden and Uruguay should be constituted to perform this task [see 16.4.53 1c(17)]. The resolution was duly transmitted and by 18th May, the United States, the Republic of Korea, and Japan had notified the United Nations of their acceptance of the proposed investigation. To date, no reply has been received from North Korea or the People's Republic of China.

Chinese Troops in Burma

A resolution was approved by the Assembly on 23rd April, which stated that the activities of foreign forces in Burma constituted a violation of Burmese territory and sovereignty; affirmed that any assistance given to them would be contrary to the Charter; called upon them to leave Burmese territory; asked all States to afford the Burmese Government any help that might be in their power and to refrain from furnishing any assistance to these forces; and recommended that negotiations in progress should be pursued. Burma was invited to report on the situation to the eighth session [see 30.4.53 2c(39)].

Tunisia and Morocco

At its seventh session the Assembly adopted, on 17th December 1952, a resolution on the relations between France and Tunisia expressing the hope that the parties would continue negotiations on an urgent basis [see 11.12.52 1h(140)]. A similar resolution was adopted on Morocco on 19th December [see 31.12.52 1h(147)]. Requests that the two matters be put on the agenda have been sent by Afghanistan, Burma, Egypt, India, Indonesia, Iraq, Lebanon, Liberia, Pakistan, Persia, the Philippines, Saudi Arabia, Syria, Thailand and the Yemen.

Indians in South Africa

On 5th December 1952, the Assembly established a Good Offices Commission to assist in negotiations between South Africa, on the one hand, and India and Pakistan, on the other, and called for suspension of enforcement of the Group Areas Act meanwhile [see *Commonwealth Survey* 9.1.53 1a(9)]. On 23rd March 1953, the Commission informed the three governments concerned that it was its sincere hope that it could be of some help in the matter and asked that they inform it of any suggestions they might have on the manner in which it could do so.

On 13th May 1953, the Government of the Union of South Africa notified the UN Secretary-General that they regarded the Assembly resolution of 5th December 1952 as unconstitutional, and therefore regretted that they could grant no recognition to the Commission.

Race Conflict in South Africa

The General Assembly at its seventh session established a Commission of three members to study the racial situation in the Union of South Africa and to report its conclusions to the eighth regular session [see *Commonwealth Survey* 21.11.52 1d(45)]. The South African Government was invited to extend its full co-operation to the Commission, which met for the first time in Geneva on 13th May 1953, but has announced that it will ignore the Commission's sittings, holding that to submit any evidence to the Commission would be indirectly to approve of interference in South Africa's internal affairs.

South West Africa

The General Assembly, at its sixth session, adopted a resolution requesting the Government of the Union of South Africa to resume negotiations with an *ad hoc* committee, set up at the previous session and re-established under the same resolution, on implementing the advisory opinion of the International Court of Justice concerning the South African Government's international obligations with respect to the former mandated territory.

The Assembly, on 20th December 1952, adopted a resolution by which it decided to postpone consideration of the question until the eighth session [see *Commonwealth Survey* 5.12.52 1a(68)]. In the meantime, it requested the *ad hoc* committee to continue negotiations on the same basis.

Report of UNRWA

The General Assembly, at its sixth regular session in Paris, approved a three-year \$250 million relief and reintegration programme for Palestine refugees [see 24.1.52 2h(3)]. At its seventh session, the Assembly increased the relief budget from \$18 million to \$23 million for the fiscal

year ending 30th June 1953 and adopted a relief budget of \$18 million for the fiscal year ending 30th June 1954, subject to review at the eighth session [see 13.11.52 2c(34)].

The operations of the United Nations Relief and Works Agency (UNRWA) are financed by voluntary contributions by UN members. In its report to the seventh General Assembly, UNRWA stated it had 880,000 refugees on its rolls, scattered over more than 100,000 square miles in Egypt, Lebanon, Syria and Jordan. The United Kingdom is the second largest contributor.

Work of the Office of UN High Commissioner for Refugees

The annual report of the UN High Commissioner for Refugees [which will be summarized in a subsequent issue] was considered by ECOSOC at its 16th session and is being transmitted with a recommendation that the office be extended for a further five years.

Narcotic Drugs

ECOSOC recommended the Assembly to approve that the UN organs assume the functions and responsibilities assigned to them by the Opium Protocol, opened for signature on 23rd June.

Report of the International Law Commission

The fifth session of the International Law Commission [see 1.6.51 2c p.17 and 18.9.52 1c(26)] was held in Geneva from 1st June to 14th August of this year. Its agenda included the following items: arbitral procedure; régime of the high seas; régime of the territorial sea; law of treaties; nationality including statelessness; draft code of offences against the peace and security of mankind. The Commission adopted during the session a 'Draft Convention on Arbitral Procedure'.

United Kingdom Delegation

The members of the United Kingdom delegation to the eighth regular session of the UN General Assembly are as follows. References to the Biography Service appear in brackets after each name.

Delegates: The Secretary of State for Foreign Affairs, Mr. Eden (R.1884), or the Acting Secretary of State, the Marquess of Salisbury (R.2491)¹; Mr. Selwyn Lloyd, Minister of State for Foreign Affairs (R.2480); Mr. H. L. d'A. Hopkinson, Minister of State for Colonial Affairs (R.2412); Sir Gladwyn Jebb, Permanent United Kingdom Representative (R.1924); Mrs. T. A. Emmet (R.2471).

Alternate Delegates: Sir Clifford Norton (R.2475); Sir Alec Randall (R.2668); Sir Walter Hankinson (R.2669); Mr. P. M. Crosthwaite; Mr. F. A. Vallat.

Sir Clifford Norton was formerly Ambassador in Athens. Sir Alec Randall was formerly Ambassador in Copenhagen. Sir Walter Hankinson is Ambassador in Dublin. Mr. Crosthwaite is the Deputy United Kingdom Permanent Representative to the United Nations, and Mr. Vallat is the Legal Adviser to the United Kingdom delegation at New York.

Mrs. Emmet will deal with social questions in the Third Committee as last year.

¹The UK Foreign Office announced that the fact that either the Secretary of State or the Acting Secretary of State would lead the delegation did not imply that Mr. Eden would resume his duties by 15th September. It was customary for the Minister in charge of the Foreign Office to be shown as heading the United Kingdom delegation whether or not he actually went to the Assembly. The Assembly would sit for several months and either the Foreign Secretary or the Acting Foreign Secretary might attend at any stage.

UN Opium Conference

Protocol to Limit Opium Production

The United Nations Opium Conference on 18th June adopted a protocol designed to limit the production, wholesale trade in and use of opium throughout the world. This action, taken by a vote of 27 to 0, with 2 abstentions, completed more than a month's work at UN Headquarters by the Conference, in which representatives from 35 countries participated. In addition, observers from eight other countries and from the Permanent Central Opium Board, the Drug Supervisory Body, and the World Health Organization, were present.

The representatives of 17 countries signed the protocol, while 31 delegations signed the Final Act of the United Nations Opium Conference.

The protocol—entitled the Protocol for Limiting and Regulating the Cultivation of the Poppy Plant, the Production of, International and Wholesale Trade in, and Use of Opium—attempts to limit the illicit traffic and use of opium by indirect means, i.e. by limiting the stocks of opium and the number of producing (exporting) countries, and by regulating the areas of cultivation. The document is an interim agreement which anticipates the conclusion of a single convention to deal with narcotic drugs as a whole, and which would supersede the previous treaties pertaining to the subject.

The Final Act explains the background and the aims of the Conference, and lists the participants, the organs and the officers. The protocol will remain open for signature through 31st December 1953, on behalf of any member of the United Nations and on behalf of those non-members referred to in Article 16 of the protocol.

The 17 countries which signed the protocol on 23rd June were: Denmark, the Dominican Republic, Ecuador, Egypt, the German Federal Republic, France, Greece, India, Italy, Japan, the Republic of Korea, Liechtenstein, the Philippines, Switzerland, the United Kingdom, the United States and Viet Nam. Yugoslavia became the eighteenth State to sign the protocol on 24th June.

International Bank and Monetary Fund

Eighth Annual Reports

The annual reports of the International Monetary Fund and the International Bank for Reconstruction and Development were submitted at the eighth annual meeting of their Boards of Governors, held in Washington from 9th to 12th September 1953. The United Kingdom delegation was led by Mr. R. Maudling, Economic Secretary to the Treasury.

THE INTERNATIONAL MONETARY FUND

The Fund's report covers the year ending 30th April 1953. Japan, the Federal Republic of Germany and Jordan became members during the year, so increasing the total membership to 54 countries and the total of quotas to \$8,736.5 million. Five members purchased \$66.1 million from the Fund, and seven members repurchased amounts of their currencies for gold and dollars to the amount of \$184.9 million. Since the Fund began operations on 1st March 1947, it had effected exchange transactions equivalent to \$917.7 million on behalf of twenty-two members. On 30th April 1953, the Fund's holdings of currencies amounted to the equivalent of \$5,978.5 million, of which \$1,338.1 million was in US dollars, the next largest holding being \$225 million in Canadian dollars. To facilitate the use of its resources, the Fund announced on 1st October 1952, that it would adopt the policy of considering requests by members for stand-by credit arrangements designed to give assurance that, during a fixed period of time, transactions up to a specified amount would be made whenever a member requested and without further consideration of its position. The purpose of this is to make it easier for a member to be able to rely on the Fund's resources to meet a balance of payments deficit on current account. Thus, it was agreed in December 1952 that Finland might purchase up to \$5 million at any time during the following six months, a permission taken advantage of in January 1953 to the extent of \$2 million.

Apart from recording its transactions and developments in the exchange policies of its members, the Fund has something to say on the world payments situation. Here it notes a closer approach towards balance towards the end of the period under review. This, it says, was partly because of reactions from the speculative buying and accumulation of stocks following the Korean outbreak, but mainly because the stringent import restrictions imposed in many countries had the short-run effects expected of them and because increasing use was made 'of monetary and fiscal policies, the purpose of which was to keep both consumption and investment demand within the limits set by the resources available'.

Residual Dollar Problem

But there was still need for concern about the problem of the balance of payments of the rest of the world with the United States. In interpreting the recent improved record, it had to be remembered that it owed much to the expenditure by the US Government abroad on strategic stockpiles, offshore purchases and its armed forces of \$2.5 billion in 1952—enough to pay for one-sixth of all United States exports—against \$1.5 billion in 1951. Another relevant consideration was that restrictions on imports from the dollar area might mean that the 'dollar gap' would be wider if the dampening effect of these restrictions on demand for dollar goods was removed. The report went on:

'The policies required to reduce still further the magnitude of the dollar problem demand appropriate action by the United States, by the other industrial countries and by the countries that are still in the early stages of development.'

So far as the United States was concerned, in addition to the importance of maintaining a high level of employment there, modifications in commercial policy—such as tariff reductions, simplification of customs procedure and repeal of 'Buy American' legislation—would substantially strengthen the payments position of the non-dollar world and improve the prospects for reducing restrictions on dollar imports. But it was probably true 'that even the adoption by the United States of complete free trade would not by itself provide more than a partial solution of the dollar problem'. It was therefore of the utmost importance that other countries should continue to follow monetary and fiscal policies to maintain effective control of inflation. In the case of Western Europe, opportunities should be sought to increase indirect dollar earnings by exporting more to third markets in the Western Hemisphere, which had secured the largest share in the post-war increase in the supply of US dollars to the rest of the world. As to the less developed countries, their development programmes should pay regard to possibilities of reducing world dependence on the dollar area for essential imports. In support of this, the Fund cites the emphasis placed by the Commonwealth Economic Conference of December 1952 on the need for expanded production of staple foods and raw materials, and on the need to concentrate sterling area development on projects that would help to improve the area's balance of payments with the rest of the world.

Convertibility Plans

In moving forward to stable foundations for the structure of world payments 'so that the normal ebbs and flows of trade will no longer require, from time to time, the hasty adoption of emergency defensive measures', the interest of many countries, including those in the Commonwealth, in convertibility of currencies was an encouraging development. 'The success of their plans will require continued emphasis on domestic financial and economic stability and on increased dollar earnings, reduction and ultimate elimination of exchange restrictions and discriminatory trade restrictions, and measures to encourage the restoration of international capital markets'. It was not yet possible to forecast the timing and extent of moves in these directions, but this uncertainty did not mean that countries could not in the meantime go ahead with other immediately valuable though less far-reaching measures, such as freeing commodity markets from restrictions and restoring the machinery of foreign exchange trading.

THE INTERNATIONAL BANK

Germany, Japan and Jordan became members of the Bank in August 1952, bringing total membership to 54 and total subscribed capital to the equivalent of \$9,036 million. [For composition of subscribed capital and the Bank's work in 1951-52, see 18.9.52 2e(45).]

Operations and Resources

During the year ended 30th June 1953, the Bank made ten loans in nine countries, amounting to the equivalent of \$178.6 million. This brought the total of Bank lending to \$1,591 million in 29 countries, of

which \$1,103 million had been disbursed. Currencies other than dollars are playing a larger part in the Bank's operations. Of the year's total disbursements of \$226.8 million, \$39.6 million was in non-dollar currencies and \$82.7 million was spent in countries other than the United States.

Funds available for lending were augmented by the sale of the Bank's bonds in the United States and Switzerland, and by the equivalent of \$26.6 million released by members from that part (18 per cent) of their subscriptions which is payable in their own currencies. In addition, the United Kingdom Government agreed, subject to consultation, to make up to £60 million (\$168 million) available for disbursement by the Bank for projects in sterling area Commonwealth countries over a six-year period [see *Commonwealth Survey* 6.2.53 1e(19)].

In all, at 30th June 1953, the funds which the Bank had used or could use without further approval by members amounted to a gross total of \$1,584.4 million, of which \$1,103.3 million had been disbursed, leaving a balance of \$481.1 million. The position is summarized as follows:

2 per cent portion (a) of subscription of all members	..	..	\$177,185,000
18 per cent portion (b) of subscriptions made available by:			
Canada	..	..	853,356,000
South Africa	..	..	2,400,000
United States	..	..	571,500,000
Western European (c) members	..	..	62,804,000
			690,060,000
Total available capital subscriptions	..	..	\$867,245,000
Funds available from operations	..	..	77,100,000
Funds available from sale of bonds (d)	..	..	556,374,000
'18 per cent' funds available from principal repayments or sales of loans in US and Canadian dollars and Belgian francs, which may be loaned again without further release	..	..	43,795,000
Other funds available from principal repayments or sales of loans	..	..	39,885,000
Gross total available funds	..	..	\$1,584,399,000
Loan disbursements	..	..	1,103,261,000
Excess of available funds over loan disbursements	..	..	\$481,138,000

(a) The part payable in gold.

(b) The part payable in members' own currencies and usable only with their consent. Releases amounting to \$33 million had also been made by 18 other members but so far the Bank had been unable to use them to meet the needs of borrowers, either because the currency released was inconvertible or because the use of a convertible currency was restricted to purchases within the releasing countries' own borders.

(c) Including \$10.6 million made available by the United Kingdom. In addition, as mentioned above, the United Kingdom has agreed to the release of \$168 million for sterling area development. The unreleased balance of the UK's 18 per cent portion was \$54.2 million.

(d) Including \$14 million raised in 1952 by the issue of bonds in the London market.

In addition to loan operations, the Bank continued to help its members to assess their economic potential and to prepare programmes of develop-

[Over]

ment. The way of doing this is by the general survey mission such as that sent to Ceylon [see *Commonwealth Survey* 10.10.52 1j(86)]. Specialized missions were also sent to advise on particular problems in member countries. For example, methods of mobilizing domestic capital and of establishing credit institutions to stimulate development were investigated in Cuba, Iceland, Lebanon and Nicaragua. Another of the Bank's activities during the year was the examination, at the request of the UN Economic and Social Council, of the proposal to establish an International Finance Corporation to make loans to private enterprise without government guarantee and to participate with private capital in equity investment [see 20.8.53 1b(39)].

The Process of Development

In the course of its report, the Bank deals with its efforts to help under-developed member countries to establish institutions to promote economic growth. It singles out for special mention the importance of establishing what it calls 'governmental programming units' to make sure that available resources are invested in the best forms and at the best times, and it cites the establishment with Bank advice of India's Planning Commission and Ceylon's Planning Committee of the Cabinet.

On the factors influencing development, the Bank makes the following remarks:

'Many observations by the Bank confirm the widely held belief that the resources of most under-developed areas are adequate, if effectively used, to support a substantially higher level of production and income. There are many and complex reasons why these areas have not been more developed. Many cultures, for instance, have placed a low value on material advance and, indeed, some have regarded it as incompatible with more desirable objectives of society and of the individual. The character of government has not always been of a sort to create popular incentives; certain forms of social and economic organization have offered obstructions. In part, the reasons have been physical. Climate and topography have imposed limits on economic growth; distances from centres of technological innovation and capital resources, especially in the past, have been hindrances.'

'Capital equipment can now readily be sent to most parts of the world; technical skills can be imported. Both the tools and the knowledge needed for development are within reach. But this does not mean, as is too often assumed, that the chief requirement is to finance imports of foreign equipment and to attract foreign technicians. The availability of capital for these purposes cannot, by itself, be expected to remove some of the most important obstacles to economic growth.'

'To a greater or lesser extent, these obstacles to growth exist everywhere. In one country or another, they include: the lack of traditions of political responsibility; the weakness of economic initiative; low standards of education and training; the insufficient understanding that economic progress requires patience, effort and self-denial. The consequences may be lack of confidence between a government and its people and frequent changes in government policies and personnel; unsound economic and financial policies, dictated by political pressures and often leading to prolonged periods of inflation; a reluctance of important groups to accept necessary economic and social changes; waste of public funds on non-productive activities; and weak administration in government and business. These factors discourage domestic savings, and deter foreign investment.'

'The interdependence of each aspect of society in the development process is reflected in the fact that, in countries now described as "developed", the era of technological change and rapid economic growth was preceded and accompanied by other changes of great importance. These included the evolution of new ideas concerning man, society and the physical world, and the evolution of new political and economic institutions that made it possible to apply capital productively and share the benefits of technology among large numbers of people.'

US Customs Simplification Act 1953

On 8th August 1953, the President of the United States signed the Customs Simplification Act of 1953, which is effective as from 7th September. The purpose of the Act is to modernize United States customs procedure by simplifying some of the administrative provisions of the United States Tariff Act, which have only been amended once, except in minor matters of little effect on foreign trade, since the Act was passed in 1930. [The simplification of US customs practices as an aid towards freer trade and currencies has recently been referred to as desirable by, among others, Mr. Douglas, former US Ambassador to the United Kingdom, see 3.9.53 1e(50) and by the International Monetary Fund, see 1e (56) in this issue.]

The new Act is not a revision of tariff policy or customs law generally. No change is made in methods of ascertaining the value of goods for duty or of establishing the conversion rate of foreign currencies for customs purposes; these matters have been included in another Bill which has passed the House of Representatives and will be considered by the Senate when Congress reconvenes. Nor is there anything in the Act which will remedy the uncertainty of classification that has caused trouble and inconvenience to importers. The administrative matters it does deal with include the repeal of certain special marking provisions, the increase from \$100 to \$250 of the value of a shipment which may be cleared by an informal customs entry, and therefore does not need a consular invoice, certain exemptions from duties and taxes for supplies which may be withdrawn from warehouse or continuous customs custody after importation for the use of certain vessels and aircraft, and the extension of the period of time for the temporary free entry for samples of articles entered under bond for re-export. There are also many provisions intended to simplify the paper work involved when goods arrive in the United States.

World Food and Agriculture FAO Report

The annual report of the United Nations Food and Agriculture Organization (FAO) on *The State of Food and Agriculture*, is, for the year 1952-53, published in two parts, the first of which, *Review and Outlook* [HMSO, 5s.], appeared on 8th September 1953. The second part, which will review governments' longer term plans and attempt to evaluate their probable effects, is promised in time for the FAO biennial conference in November 1953.

AGRICULTURAL PRODUCTION

In his foreword to Part I of the report, the Director-General of FAO, Mr. Norris E. Dodd, stated:

'In some respects the year 1952-53 marks a new phase in the post-war food and agricultural situation. For the first time since 1939, though as yet insecurely, world production, on a global basis, caught up with the growth in world population. Moreover, the large stocks of wheat and other basic foods which have been built up in some regions should enable any future scarcities or potential famines, which may develop in particular areas, to be countered with much less difficulty than before.'

The world's population, he continued, was likely for some time to continue to grow at an accelerating pace as better medical services and, in some cases, better nutrition continued to lengthen the span of life in less developed countries. These countries contained nearly 70 per cent of the world's population, and two facts stood out. One was that there was no possible way of alleviating the grinding poverty of their rural populations without raising substantially their own agricultural productivity per man and per hectare. The second was the sheer magnitude of the food problem; to raise the average diet of these countries to the present average for the world as a whole (itself only about half the present North American level and by no means a high standard) would require an additional supply of food equal to the total 1952-53 production of North America and Oceania combined. More than 90 per cent of the additional supply would be needed in the Far East, where, as FAO had always stressed, the hard core of the world's food problem lay.

Table I shows the trend of agricultural production both absolutely and per head of population:

TABLE I
INDEX NUMBERS OF AGRICULTURAL AND FOOD PRODUCTION
(1934-38=100)

Region	Agricultural Production				Food Production			
	Total		Per head of population		Total		Per head of population	
	1951/52	1952/53	1951/52	1952/53	1951/52	1952/53	1951/52	1952/53
North-Western and South-Western Europe ..	114	113	103	101	114	114	103	101
North America	136	143	112	116	138	146	114	118
Latin America	120	130	88	93	124	134	91	96
Oceania	108	119	87	95	106	118	85	94
Far East (excluding China)	101	102	83	82	100	103	82	82
Middle East	125	134	102	108	124	133	102	107
Africa	134	137	110	111	132	134	108	109
World (including Soviet Union, East Europe and China)	113	117	98	101	113	117	98	100

TABLE II
ESTIMATED ENERGY AND PROTEIN CONTENT OF FOOD SUPPLIES
PER HEAD

Country	Calories			Total Protein		
	Pre-war	1951/52	1952/53 change from 1951/52	Pre-war	1951/52	1952/53 change from 1951/52
NORTH AMERICA		<i>Number per day</i>	<i>Per cent</i>		<i>Grams per day</i>	<i>Per cent</i>
Canada	3,010	3,020	+ 4	84	91	+ 2
United States	3,150	3,160	—	89	91	+ 1
SOUTH AMERICA (a)						
Argentina	2,730	3,160	— 4	98	102	—
Brazil .. ..	...	2,300	— 1	...	59	— 2
Chile	2,240	2,400	...	69	74	...
Colombia	1,860	2,400	...	47	56	...
Honduras .. ..	...	2,030	...	...	57	...
Mexico .. ..	...	2,210	...	...	61	...
Peru .. ..	...	2,220	...	...	63	...
Uruguay .. ..	...	3,070	...	...	101	...
Venezuela .. ..	...	2,200	...	...	67	...
EUROPE						
Austria	2,990	2,660	+ 4	88	78	+ 5
Belgium-Luxembourg ..	2,820	2,930	+ 1	84	86	—
Denmark	3,420	3,220	+ 3	91	91	+ 2
Finland	3,000	3,330	...	95	104	...
France	2,830	2,750	+ 1	93	92	+ 2
German Federal Republic	3,070	2,760	+ 2	84	76	+ 1
Greece	2,600	2,490	+ 1	84	77	+ 1
Italy	2,520	2,480	—	82	78	+ 1
Netherlands	2,920	2,890	—	87	80	+ 1
Norway	3,200	3,060	+ 2	90	96	—
Portugal .. ..	...	...	...	...	...	...
Republic of Ireland ..	3,400	3,480	—	99	96	—
Sweden	3,120	3,090	—	95	93	+ 1
Switzerland	3,140	3,180	...	96	96	—
United Kingdom ..	3,120	2,990	+ 1	83	85	+ 1
FAR EAST						
Ceylon	2,140	2,010	...	48	53	...
India	1,970(b)	1,620	+ 2	56(b)	43	+ 1
Japan	2,180	2,100	+ 2	64	53	+ 1
Pakistan .. ..	...	1,970	...	—	54	...
Philippines	1,920	2,060	+ 2	45	42	+ 2
NEAR EAST						
Egypt	2,450	2,350	— 1	74	69	+ 1
Israel .. ..	...	...	...	...	...	...
Turkey	2,450	2,560	+ 1	79	82	+ 1
AFRICA						
Southern Rhodesia ..	...	2,280	...	...	69	...
Union of South Africa ..	2,300	...	...	68	...	...
OCEANIA						
Australia	3,310	...	...	103	...	...
New Zealand	3,260	3,380	...	96	103	...

... Not available.

— Negligible.

(a) Figures refer to calendar year of earlier year mentioned.

(b) Including Pakistan.

FOOD CONSUMPTION

The report says that in spite of some changes in the patterns of world trade in foodstuffs and of the recent gradual improvement in production, food consumption in many countries still remains seriously low, often lower than before the second world war, especially in the Far East. Details are given in Table II on previous page.

European Payments Union

Views on Convertibility

The third annual report on the European Payments Union, published by OEEC in Paris on 4th September, surveys recent developments in European payments and discusses the position of the Union in relation to various current world problems, including convertibility of currencies.

Improvement in Payments Positions of Member Countries

Reviewing the course of operations during the financial year ended 30th June, the report notes that some of the extreme creditor and debtor positions which were prominent in 1951-52 were considerably reduced, and that there was a 'trend towards better equilibrium in the balance of payments of each member country with other countries as a whole'. This trend corresponded to favourable developments in the internal position of the member countries and in their position *vis-à-vis* the rest of the world.

The total net balance (surpluses or deficits) of member countries, which amounted to 1,103 million units of account in the first year (1950-51) and 2,301 million in the second year, fell in the third year to 897 million [see table below].

ANNUAL NET SURPLUSES OR DEFICITS
(Excluding interest)

Million units of account

Country	1950-51	1951-52	1952-53	Cumulative Net Position (a) on 30.6.53
Austria	+ 104	- 38	+ 42	- 100
Belgium-Luxembourg ..	+ 236	+ 509 (b)	- 33	+ 712
Denmark	- 68	+ 46	- 17	- 39
France	+ 194	- 602	- 417	- 825
German Federal Republic ..	- 281	+ 584	+ 260	+ 563
Greece	- 140	- 83	- 28	- 251
Iceland	- 7	- 6	- 4	- 17
Italy	- 30	+ 194	- 222	- 58
Netherlands	- 270	+ 477	+ 139	+ 346
Norway	- 80	+ 21	- 59	- 118
Portugal	+ 58	+ 28	- 23	+ 63
Sweden	- 59	+ 284	- 44	+ 181
Switzerland	+ 11	+ 158	+ 85	+ 254
Turkey	- 64	- 96	- 50	- 210
United Kingdom	+ 604	- 1,476 (b)	+ 371	- 501
TOTAL	± 1,103	± 2,301	± 897	± 2,119

(a) The amount which is settled through the mechanism of EPU is that given by the 'cumulative accounting position'. This is calculated from the 'cumulative net position' by making adjustments for interest, existing resources, initial balances and other items. Thus, the cumulative accounting position of the United Kingdom at 30.6.53 showed a deficit of 764 million units of account.

(b) Including adjustments made on 1st July 1953.

[Over]

Of the seven countries which had a net surplus during 1951-52, three (the German Republic, the Netherlands and Switzerland) increased their surpluses still further in 1952-53, but at a slower rate, while three others, Belgium-Luxembourg Economic Union (BLEU), Portugal and Sweden, reduced their creditor position appreciably, and Italy changed from creditor to debtor.

Of the debtor countries, France continued to run deficits, though at a rate slower than in 1951-52, while the United Kingdom reduced its cumulative deficit. Other debtor countries continued to run deficits, apart from Austria, which became a creditor.

Problems Connected with Convertibility

The report states that the managing board has been especially concerned with the problems arising from the fact that some European countries will be able to move faster and further towards currency convertibility and complete trade liberalization than others. EPU had by its own mechanism, it points out, 'made non-discrimination in trade matters possible over a wide area and, by automatic international credit facilities, has enabled trade liberalization to proceed faster than would have been possible if member countries had to depend entirely upon their own resources'. The managing board expresses the view that 'it would be greatly to be deplored if a general move to convertibility and world-wide trade liberalization should result, for some member countries, in the necessity to impose new restrictions, probably of a discriminatory character, on their trade relations with others'. The board was, therefore, anxious to find means of avoiding this, so that all countries could continue to benefit from belonging to a comprehensive trade liberalization system.

Discussing the conditions which must be satisfied before most European currencies can be made convertible, the board stressed the importance of adequate gold, dollar and international credit reserves to enable countries to withstand short-term balance of payments difficulties without recourse to quantitative restrictions. In this connection, it attached great importance to developments in United States policy designed to reduce the US balance of payments surplus by means other than government aid.

Another pre-requisite to convertibility was internal financial stability. The board noted that many member countries had achieved, or were on their way to achieving, a substantial measure of such stability. The important exception was France.

Co-operation with IMF

The report states that a move towards a world-wide system of convertibility and trade liberalization raises the important question of the relations between EPU and the International Monetary Fund. Several steps had already been taken to establish closer relations between the two bodies, and it seemed likely that in 1953/54 closer co-operation would be 'both more necessary and easier than in the immediate past'.

Economic Trends in OEEC Countries

Progress in Liberalization of Trade

The fifth survey prepared by the Organization for European Economic Co-operation for the Council of Europe was released by OEEC in Paris on 6th September. The survey outlines general economic trends in OEEC member countries since 1952, and discusses current trade and payments questions. It also contains a review of other important activities of OEEC during the past year.

Production, Trade and Prices

The rate of industrial production in OEEC countries as a whole, after remaining stationary for over a year, began to improve in the second quarter of 1953. The greatest improvement was in the output of consumer goods, especially textiles, while the output of basic metals—where progress since 1950 had been greatest—tended to decline.

The value of external trade in the metropolitan territories of member countries showed a decline in 1953 compared with 1952, mainly because of falls in prices. On the other hand, the trade balance with the rest of the world improved, the deficit declining from \$1,607 million in the first quarter of 1952 to \$1,195 million in the first quarter of 1953; \$300 million of this improvement was due to falls in prices. The trade deficit with North America was reduced from \$1,713 million during the first five months of 1952 to \$597 million in the corresponding period of 1953.

Wholesale prices in most member countries reached a peak between the end of 1951 and the early months of 1952. Subsequently the trend was steadily downwards. The index of raw material prices fell by 5 per cent between the first half of 1952 and the first half of 1953. The cost of living in most countries remained stable after the second half of 1952.

Trade Liberalization

The report of the OEEC steering board for trade (which is incorporated in the survey) notes that trade liberalization (i.e. the removal of quantitative restrictions on imports), was continuing to make progress. The percentage of liberalized private imports to total private imports in intra-European trade rose from 61 per cent on 1st July 1952 to 70.3 per cent on 1st July 1953, as measured on the basis of 1948 values. In agricultural products the percentage on 1st July 1953 was 61 per cent, in raw materials 73.6 per cent and in manufactured products 71 per cent. The percentages liberalized varied considerably from country to country. Thus, certain countries had suspended liberalization either partially (the United Kingdom) or totally (France, Iceland, Turkey), and another (Greece) had never applied liberalization. Six countries (Italy, Portugal, the Netherlands, Sweden, Switzerland and Germany) had achieved over 90 per cent liberalization.

Pointing out that the United Kingdom, which accounts for 20 per cent of intra-European trade, had increased its liberalization percentage from approximately 45 per cent in 1952 to 58.5 per cent in July 1953, the board describes this effort as considerable and 'all the more remarkable' as the United Kingdom was still a heavy debtor in the European Payments Union. In addition, the United Kingdom had announced its intention of taking further measures when its balance of payments allowed.

The report concludes that the progress so far achieved in the

liberalization of OEEC countries' trade generally will 'remain precarious so long as the two principal markets, those of France and the United Kingdom, are unable to attain a high degree of liberalization'. It stresses the need for reciprocity, as countries which have applied a high degree of liberalization and thus made their trade more multilateral may suffer disadvantages—e.g. in negotiation—compared with countries which have not liberalized. The board also stresses that efforts for the abolition of quantitative restrictions must be supplemented by measures to remove other trade obstacles, such as excessive tariffs and obstacles to invisible transactions. The existing tendency of member countries to limit government trading is described as a 'favourable factor in the common liberalization effort and one that should be encouraged.'

OEEC and Raw Materials

Relaxation of Restrictions on Copper and Molybdenum

The Organization for European Economic Co-operation has announced the cancellation, as from 4th September, of the common list of restrictions on the use of copper and copper alloys, which was agreed upon by member countries in September 1951 owing to the then world shortage of copper [see 5.10.51 3b p.58]. The common list was suspended in December 1952 owing to the improved position of copper supplies [see 16.10.52 2d(51)], but the OEEC non-ferrous metals committee was instructed to follow the situation closely in case the restrictions had to be re-imposed. The committee has recently reported that the maintenance in abeyance of a common list of prohibitions serves no useful purpose, as the improvement of supplies has enabled all member countries to remove their national restrictions.

OEEC has also announced the suspension of restrictions on the use of molybdenum in case-hardening and constructional steels in member countries. These restrictions were imposed in May 1952, owing to world shortages of molybdenum and nickel. The new decision does not apply to nickel, for the current improvement in supplies¹ does not justify the abolition of the restrictions in force. OEEC will follow closely the trend in molybdenum supplies and take steps to cancel the restrictions completely or re-impose them, if necessary.

The International Materials Conference allocation scheme for copper was discontinued in February 1953 [see 12.3.53 1e(10)].

UK-US Aeronautical Conference

The fourth Anglo-American Aeronautical Conference was held in London from 15th to 17th September 1953 and was attended by over 700 delegates, of whom 150 were from the United States.

The first of these conferences, which are organized by the Royal Aeronautical Society of Great Britain [see *Home Affairs Survey* 25.9.51 4(a) *Civil Aviation* p.27] and the Institute of Aeronautical Sciences of the United States, was held in London in 1947, the second in the United States in 1949 and the third in Brighton (England) in 1951. The con-

¹The International Materials Conference has recently decided that no allocations of nickel are needed for the third quarter of 1953.

ferences provide an opportunity for the exchange of ideas among aeronautical scientists of the two countries.

At the fourth conference, papers were read on such subjects as *The Introduction of the 'Comet' into Service, Structures for High-speed Aircraft, Power Plants for Rotary Wing Aircraft, The Control of Flight*, and on other aspects of aerodynamics.

North Atlantic Treaty Organization

Progress of NATO Joint Production Programmes

A North Atlantic Council press release of 3rd September described progress in NATO joint production programmes for items of army equipment and naval vessels amounting to about \$620 million. The report recalled that at their meeting in ministerial session in April, the North Atlantic Council agreed that, in certain fields, the establishment of long-term joint or 'correlated' military production programmes appeared to be the least costly and most efficient method of increasing military strength while developing sound national economies. The plan for fighter aircraft production¹, totalling about \$550 million, announced during the April meeting was an important example of work by NATO on these lines [see 30.4.53 2a(98)].

Further categories of defence production have now been studied, and correlated programmes dealing with certain important items of army equipment and naval vessels have been placed before the Council, which has recommended them to governments for implementation, subject to the voting of funds by the Parliaments of the countries concerned.

The present set of programmes is only a part of what has now become a continuous operation to evolve long-term plans for collaboration between the member countries of NATO, to achieve a rational and effective scheme of defence production capable of rapid expansion in emergency.

Full Exchanges of Information

The programmes were preceded by careful study by the international staff, in collaboration with country delegations, of the basic facts as to the military requirements, the production capacity available, and the forecast expenditure for each item. Working parties of experts nominated by the countries concerned then met, with this factual study before them, to determine the production layout which would best achieve the two principal objectives of getting most equipment at cheapest cost and of developing a sound defence production base in Europe. National proposals as to future production were then examined by these working parties, which recommended where they should be endorsed, or where modified, to achieve the objectives. They also made recommendations, after consultation with the United States Government, as to the best use of available American off-shore procurement funds in supporting the correlated European programmes. The member countries freely placed at the disposal of the international staff and of each other, the fullest possible information about their plans, and about the existing production capacity available, and expressed their willingness to consider any recommendations which it might be possible to make in the best interests of NATO.

¹For the United Kingdom contribution to the NATO programme of aircraft production in Europe see *International Survey* 30.4.53 2a(100).

Council Recommends Programmes for about \$620 Million.

The recommendations of the working parties formed the basis for the programmes which the Council has now recommended to governments. These programmes cover new production to the value of some \$620 million for artillery, small arms, vehicles, electronic equipment and naval vessels. These figures include about \$170 million out of possible off-shore procurement appropriations which the United States is currently considering under its 1953/54 Mutual Security Programme. Most of the production will take place in the years 1954 and 1955, though many of the ships will not be completed until 1956.

Jet Fuel Pipelines for NATO Air Defence

Progress towards the construction of 3,000 kilometres of jet fuel pipelines for the nations of the North Atlantic Treaty Organization was reported on 3rd September by Mr. L. P. Weicker, NATO's Assistant Secretary-General for Production and Logistics. The pipelines will supplement already existing petroleum distribution facilities.

Engineering planning for these pipelines, which will increase by a quantity considerably over 20,000 cubic metres per day the ability to supply jet fuel for NATO's air defence forces in European countries, has gone forward to the stage where NATO host nations have been asked to invite tenders for steel pipe totalling between 90,000 and 100,000 metric tons. Details of a plan for this international bidding are now being drawn up by the NATO Infrastructure Committee; any orders placed by governments for the pipelines to be laid down within their boundaries must have the prior approval of the NATO Infrastructure Committee. A market survey by the NATO Infrastructure Section indicated that ample pipe capacity was available to supply the quantities of pipe required.

New Venture Nearing Construction Stage

Most host countries have now reached an advanced stage in the work of surveying the actual routing of the projected pipelines. An international architect-engineering firm, with offices in Paris, has been working for some time on standards for pipe dimensions, standardized pumping stations, and other factors involved in this new venture in international co-operation. The pipelines are designed to be capable, if required, of carrying other forms of petroleum products than jet fuel.

Actual construction work, based on the engineering and other planning work now nearing completion, will, it is hoped, get under way in the autumn and will be accorded a high degree of priority.

Council's Permanent Representatives Visit UK Air Show

A party of permanent representatives of the North Atlantic Council visited the United Kingdom in order to attend the Farnborough Air Show from the 7th to the 9th September.

The party was composed of representatives of the delegations of Canada, Belgium, France, Greece, Italy, Luxembourg, the Netherlands, Norway, the United Kingdom and the United States and was accompanied by members of the NATO Secretariat and the Standing Group Liaison Office. On 7th September they attended a dinner given by the Society of British Aircraft Manufacturers (SBAC); on 8th September they attended the Farnborough Air Show as guests of the SBAC, and a dinner in the evening which was given in their honour by the Minister of Defence at Lancaster House.

Turkish Journalists Study UK Defence Contribution

Six leading representatives of the Turkish press and radio arrived in London on 4th September for a fortnight's visit to Britain, as guests of the Foreign Office, to see various aspects of Britain's contribution to Western defence. Their programme included a tour of a submarine base at Portsmouth, and a demonstration of flying by civil and military aircraft at the Farnborough Air Display [see *Home Affairs Survey* 29.9.53 1b]. They watched a battle exercise by the parachute brigade of the 1st Territorial Army, inspected methods of instruction in different branches of civil defence at the Civil Defence Technical Training School at Easingwold, and the production of *Centurion* tanks at the Royal Ordnance Tank Factory near Leeds.

A discussion on Britain's contribution to Western defence was arranged for them at the Ministry of Defence, where they were received by the Permanent Secretary, Sir Harold Parker, who discussed with them a number of questions, including UK military co-operation with the proposed European Defence Community, standardization of equipment, the UK defence production programme and the strength of the UK armed forces.

NATO Air Research Meeting in London

Air experts from 11 North Atlantic Treaty Organization countries met in London from 3rd to 11th September for the third General Assembly of the NATO Advisory Group for Aeronautical Research and Development (AGARD), under the Presidency of Dr. Theodore von Karman, Scientific Adviser to the Chief of Staff, US Air Force, and chairman of AGARD. Representatives of Belgium, Canada, Denmark, France, Greece, the Netherlands, Italy, Norway, Turkey, the United Kingdom and the United States studied problems being encountered at present by NATO Air Forces and discussed results achieved during the past 18 months.

AGARD was set up in 1952 to exchange scientific information on aeronautics between member countries, and to work towards co-ordination of research programmes and eventual standardization of techniques. Its executive committee of three research experts is drawn from Italy, France and the United Kingdom. It operates through four technical panels, dealing with aero-medicine, combustion research, flight testing and wind-tunnel techniques. These panels have prompted or accelerated work on technical problems common to member countries and have arranged exchanges of visits between staffs of air laboratories. Five reports by these panels were presented to the Assembly.

As part of AGARD's activities, a team of British experts has toured the NATO countries by air to discuss aircraft design problems experienced by member nations. Visits have also been made by AGARD delegates to US research laboratories. In addition a recently formed Documentation Committee of AGARD is developing proposals for co-ordinating methods of aeronautical documentation.

During the Assembly, delegates visited the Farnborough Air Display and toured British research laboratories. The formal opening was attended by the UK Secretary of State for Air, Lord de L'Isle and Dudley; Lieut.-General L. C. Craigie, Deputy Chief of Staff for Development, US Air Force; Air Marshal Sir John Boothman, Controller of Supplies (Air), UK Ministry of Supply; and General Pierre Fay, Chief of Staff of the French Air Force.

Broadcasts on NATO on the BBC European Service

A series of broadcasts on the North Atlantic Treaty Organization, under the title 'NATO as I see it,' is being given on the European Service of the BBC. Arrangements have been made for language broadcasts in Danish, Dutch, French, German, Greek, Italian, Norwegian, Portuguese, Spanish, Swedish, Turkish and Yugoslav.

The series was introduced by Admiral Nicholl, the defence correspondent of the overseas services of the BBC, in a talk on 6th September. Speakers in the series include Lord Ismay, Secretary-General of NATO, General Gruenthal, Supreme Allied Commander Europe, Field Marshal Lord Montgomery, Deputy Supreme Commander Europe, Admiral Qvistgaard of Denmark, who is Chairman of NATO's Military Committee, General Lauris Norstad, recently appointed Deputy Supreme Commander (Air) in the European Allied Command, and Admiral Lynde McCormick, Supreme Allied Commander Atlantic. Texts of these talks will be issued as appendices to the *International Survey*.

Brussels Treaty Organization

Meeting in United Kingdom of Committee for Disabled

The tenth session of the Brussels Treaty Organization's Joint Committee on the Rehabilitation and Resettlement of the Disabled opened in Cambridge on 16th September, under the chairmanship of Mr. P. H. St. John Wilson, Under-Secretary of the UK Ministry of Labour.

The session was attended by government officials from Belgium, France, the Netherlands and Luxembourg, with the United Kingdom represented by delegates from the Ministry of Health and Ministry of Labour and National Service. Meetings of the Committee are held in turn in the countries represented.

The subjects considered ranged from the educational aspects of rehabilitation and the rehabilitation of sufferers from specific disabilities to the conditions governing the issue of driving licences to the disabled in the member countries.

Germany and European Security

Dr. Adenauer's Proposals

On 4th September, during the concluding stages of the election campaign, Dr. Adenauer made a speech outlining proposals for a system of security for Europe which would include Russia and the eastern bloc.

According to press reports his proposals were as follows:

1. That with a view to satisfying the security needs which the Soviet Union may feel, the regional alliance of the European Defence Community should, after it has been linked with the North Atlantic Treaty Organization, be brought into treaty relationship with the regional alliances of the eastern bloc within the framework of a superstructure to be developed under the United Nations. The appropriate pattern of such a system, including its military aspect, should be arrived at in negotiations.
2. That, as economic interdependence and political security go hand in hand, the resources set free by a general control of armaments

should be applied to the international exchange of goods and to raising the standard of living in all countries. In particular, a far-reaching exchange of goods between the common European market and the economic sphere of the Soviet Union could be brought about.

Enlargement of Proposals to Washington Conference

These proposals were an enlargement of his earlier proposals made in the letter addressed to the Foreign Ministers of France, the United Kingdom and the United States, during the Washington Conference of 10th-14th July, for a security system based on the European Defence Community which would safeguard the security requirements of all nations, including the Soviet Union [see 6.8.53 2a(169)]. In the foreign affairs debate in the UK House of Lords on 29th July the Acting Foreign Secretary, Lord Salisbury, welcomed the basic ideas outlined in that letter, and said that they were fully in accord with Sir Winston Churchill's general conception (expressed in his House of Commons speech of 11th May) 'that the master thought which animated Locarno might well play its part between Germany and Russia' [see 6.8.53 1a(63)].

Germany

German Debt Agreements Enter Into Force

The UK Foreign Office has announced that the Agreement on German External Debts came into force on 16th September. This Agreement was signed in London on 27th February 1953, between the Governments of the United Kingdom, France, the United States, and 15 other creditor countries, and the Government of the German Federal Republic [see 26.2.53 2a(54)]. It established terms and procedures for the settlement of German pre-war debts, in accordance with the recommendations of the London Conference on German External Debts, which ended on 8th August 1952. The Agreement was to enter into force after ratification by the three Powers and by the Federal Republic and the deposit of instruments of ratification with the UK Government. These ratifications have now been received.

At the same time, the Anglo-German Agreement on the settlement of the UK claim for post-war economic assistance to Germany entered into force, and the first payment of £7.5 million due under the Agreement to the UK Government became immediately payable.

The Swedish instrument of ratification of the Agreement on German External Debts was also deposited at the UK Foreign Office on 16th September. The Agreement therefore entered into force for Sweden.

German Federal Elections

The second¹ general election in the Federal Republic of Germany was held on 6th September and resulted in a strong majority for the parties which supported the previous Coalition Government under Dr. Adenauer, leader of the Christian Democratic Union (CDU). The CDU, together with the affiliated Christian Social Union (CSU) of Bavaria, now has an absolute majority of one in the Bundestag. Including the other parties of the old Government Coalition—the Free Democrats (FDP), and the German Party (DP), plus the Centre Party (ZENTRUM), which is closely

¹The first free elections to a central German assembly since 1932 were held on 15th August 1949, see *International Survey* 26.8.49 1a(6).

allied to the CDU—the Coalition has more than twice as many seats as the main Opposition party, the Social Democrats (SPD). A new party, representing the refugees and now called the All-German Bloc (DB), which was not represented in the old Bundestag, has secured 27 seats. In the first general elections fifteen parties competed and ten of them secured representation in the old Bundestag. The new Bundestag, which has 487 seats, compared with 402 in the old, will contain representatives of only six political parties; neither the Communists nor the neo-Nazi types of party secured a single seat. The number of registered voters was 33,039,978 compared with 31,207,620 in 1949; 86.2 per cent of them went to the poll—nearly 8 per cent more than in 1949. The CDU gained over 5 million votes and polled over 45 per cent of all votes cast. The SPD, although their percentage of seats is smaller in the new Bundestag, also increased their votes, by about one million.

COMPOSITION OF THE BUNDESTAG

Party	1953			1949 (a)		
	Seats	Percent-age	Percent-age of total vote	Seats	Percent-age	Percent-age of total vote
Christian Democratic Union and Christian Social Union (CDU)	243	50.1	45.2	139	34.5	31
Social Democrats (SPD) ..	150	30.8	28.8	131	32.5	29.2
Free Democratic Party (FDP)	48	9.8	9.5	52	13	11.9
All-German Bloc (DB) ..	27	5.5	5.9	—	—	—
German Party (DP) ..	15	3	3.3	17	4.2	4
Centre (ZENTRUM) ..	4	0.8	4.8	10	2.5	3.1

(a) Comparative figures for 1949 are given only for those parties surviving in the new Bundestag. Among those not now represented, the extreme right wing German Right Party (DRP) polled only 1.1 per cent of the votes, compared with 1.8 per cent in 1949; the Communist Party polled 2.2 per cent of the total vote, compared with 5.7 per cent in 1949.

Austria

UK Occupation Force Reduced

It was announced on 6th September that the United Kingdom Government had decided to reduce the strength of British troops in Austria from three battalions to one. This follows the British decision, announced on 19th August, not to call on the Austrian Government to meet occupation costs after the end of the year [see 6.8.53 2a(168) and 20.8.53 2a(88)].

ERRATUM

In the issue of 3.9.53 2a(201), line 23, the word 'Permanent' should read 'Parliamentary'.

The Sudan

Chairman of Governor-General's Commission Appointed

It has been announced that Mr. Miau Ziauddin, who was formally appointed as Pakistan member and Chairman of the Governor-General's Commission in May 1953, will take up his duties in October. Pending Mr. Ziauddin's arrival, Mr. Tayyeb Hussein has been temporary Pakistan member and acting Chairman of the Commission [see 16.4.53 2b(31)]. Mr. Ziauddin, who is 52, was educated at Peshawar and London, and was called to the English Bar in 1923. From 1937-1949 he followed a political career. In 1949 he was a member of the Pakistan delegation to the fourth UN General Assembly, and subsequently represented Pakistan on the UN Commission on Eritrea and on the UN Commission for the Unification and Rehabilitation of Korea. From May 1952 to July 1953 he was Pakistan Ambassador to Japan.

Election Dates Announced

The Sudan Electoral Commission announced on 10th September that the electoral rolls for the forthcoming elections would be closed on 30th September. Voting in the elections, which are for a new Sudanese Parliament in accordance with the provisions of the Self-Government Statute 1953 [see 26.3.53 2b(27)], will start with primary elections in indirect-election constituencies [see 25.6.53 2b(48)] on 2nd November or soon after. Voting in the secondary elections of the indirect constituencies and in the direct-election constituencies of the House of Representatives will be held between 15th and 25th November, results being declared by the end of that month.

Polling for the Senate and, by postal ballot, for the five graduate's constituencies of the House of Representatives, will be completed by 7th December and the results declared on 10th December.

Emergency Financial Aid to Persia

US Grant of \$45 Million

It was announced from the White House, Washington, on 5th September that, in response to an urgent request for assistance from the Persian Government, President Eisenhower had made available on an emergency basis the sum of \$45 million to be used for the immediate economic assistance of Persia, in accordance with the procedure of the Foreign Operations Administration under the Mutual Security Act. This amount would be in addition to existing US technical assistance and military aid programmes in Persia.

The announcement stressed the need for immediate aid to restore stability and lay a foundation for economic development and the raising of the standard of living of the Persian people. It concluded by stating the hope that 'with our assistance there will be an increase in the internal stability of Iran, which will allow the development of a healthy economy to which an early effective use of Iran's rich resources will contribute'.

Zahedi-Eisenhower Exchange of Letters

The US grant of immediate aid was foreshadowed in an exchange of letters between Marshal Zahedi,¹ Persian Prime Minister, and President Eisenhower on 26th August which was made public on 1st September.

In his letter to President Eisenhower, the Persian Prime Minister had said that the Persian Treasury was empty and that Persia needed immediate financial aid to enable it to emerge from a state of economic and financial chaos. This aid he was asking from the United States. Marshal Zahedi had stated in conclusion that he 'would like to emphasize that it is the intention of the new Government of Iran not only to strengthen the country internally but also to improve its international position. The Government desires to maintain friendly relations with other members of the family of nations on a basis of mutual respect. It will pursue a policy of eliminating such differences as may exist, or which may develop, between other countries and itself in a spirit of friendliness and in accordance with accepted principles of international intercourse.'

In his reply President Eisenhower had expressed his pleasure at the assurances on Persia's relations with other States given by Marshal Zahedi, and went on to say that he recognized that Persia's needs were pressing. Your request will receive our sympathetic consideration, and I can assure you that we stand ready to assist you in achieving the aspirations of your country which you have outlined.'

Marshal Zahedi, speaking in Teheran on 27th August, said that the Mussadiq régime had left the Persian Government 17,000 million rials (approximately £188 million at the official rate) in debt. The Government account at the National Bank of Persia alone was overdrawn by about half this amount. The figure of indebtedness given by Marshal Zahedi is equivalent to nearly twice the annual Persian Budget of approximately 9,000 million rials.

¹Major-General Fazlullah Zahedi was promoted to the rank of Sepahbod or Marshal by the Shah of Persia on 26th August.

The United Nations and Korea

Repatriation of Prisoners of War

The exchange of prisoners of war willing to be repatriated was completed at Panmunjom on 6th September. The exchange was begun on 5th August in accordance with the terms of the Korean Armistice Agreement of 27th July.

The total number of prisoners of war handed over by the Chinese and North Korean Commands was 12,760 officers and men, including the following: United Kingdom 945, Canada 30, Australia 21, New Zealand 1, South Africa 8, Republic of Korea 7,850, United States 3,597, Turkey 228, the Philippines 40, Colombia 22, France 12, Greece and the Netherlands 2 each, and Belgium 1.

The UN Command have handed over to the Communist Commands a total of 75,799 prisoners of war, comprising 70,159 North Koreans and 5,640 Chinese.

The transfer of prisoners of war who 'have not exercised their right of repatriation' into the custody of the Neutral Nations Repatriation Commission in the demilitarized zone was begun on 8th September. The number of such prisoners held by the UN Command is approximately 14,500 Chinese and 7,800 North Koreans. The Communist Commands have claimed that they still have under their control over 300 members of the UN forces who have refused repatriation. All such prisoners must be handed over to the Repatriation Commission within 60 days after 27th July. They will then be dealt with in accordance with the procedure agreed on 8th June [see 11.6.53 2c(50)] and subsequently written into the Armistice Agreement.

3,400 UN Prisoners of War not Accounted For

On 9th September, the senior UN member of the Military Armistice Commission¹, Major-General Bryan, told the Commission that 3,404 members of the UN Forces in Korea, who were known to have been held by the Communist Commands, had not been returned in the course of the completed exchange of prisoners of war. The list of these 3,404 officers and men includes the names of 2,410 men from the Republic of Korea, 944 from the United States, 19 from the United Kingdom, 9 from Australia, 8 from South Africa and 3 from Canada.

Major-General Bryan said that the list contained only the names of men who spoke or were referred to in Communist broadcasts, were listed by the Communist Commands as prisoners of war, wrote letters from Communist camps or were seen in camps by other (repatriated) prisoners.

In handing over the list he demanded that the Communist Commands return the men named or account for each one of them.

Chinese Views on Korean Political Conference

The views of the Chinese People's Government on the United Nations' recommendations relating to the projected political conference on Korea were sent to the UN Secretary-General on 13th September. The Chinese

¹The Military Armistice Commission is one of the bodies set up under the Armistice Agreement to supervise and carry out its terms. It is composed of 10 senior officers, 5 being appointed by each side.

communication, which was signed by the Chinese Foreign Minister, Chou En-lai, was in reply to a message from the UN Secretary-General transmitting the texts of resolutions on Korea adopted on 28th August by the UN General Assembly [see 3.9.53 2c(84-86)].

The Chinese reply made the following points:

- (1) that the Korean political conference 'should not be a repetition of the form of the Panmunjom negotiations, but should take the form of a round table conference';
- (2) that the conference should be composed of 'all nations on the two belligerent sides', including the Republic of Korea and North Korea, plus Burma, India, Indonesia, Pakistan and the USSR;
- (3) that representatives of the Chinese People's Government and of North Korea should be invited to attend the forthcoming (eighth) session of the UN General Assembly 'to conduct joint negotiations';
- (4) that, as soon as the question of the composition of the political conference had been settled through negotiation, the 'two belligerent sides in Korea' should settle the time and place for the meeting.

North Korean Message to UN General Assembly

A message demanding wider representation of neutral nations at the Korean political conference, and generally endorsing the Chinese views, was sent by the North Korean authorities to the UN Secretary-General on 14th September.

The Third Report of UNCURK

The third report of the UN Commission for the Unification and Rehabilitation of Korea, covering the period since the second report [see 30.10.52 1h(125)], i.e., from 28th August 1952 to 14th August 1953, was published on 9th September. The report was unanimously adopted by the Commission, which is composed of representatives of Australia, Chile, the Netherlands, Pakistan, the Philippines, Thailand and Turkey. UNCURK was set up by a General Assembly resolution adopted on 7th October 1950, its terms of reference being to implement the UN recommendations on Korea set forth in that resolution [see 20.10.50 2d p.25]; and to assume the functions of the earlier UN Commission on Korea (UNCOK) [see 17.12.48 2b p.26]. The responsibilities of UNCURK in connection with relief and rehabilitation were later defined in an Assembly resolution of 1st December 1950 [see 29.12.50 2d p.23] which set up a UN Korean Reconstruction Agency (UNKRA) [see 25.6.53 2c(56-58)].

The principal matters dealt with by the report were the attitude of the Republic of Korea to the armistice negotiations, the development of representative government in the Republic, the economic and financial situation and relief and rehabilitation.

THE REPUBLIC OF KOREA AND THE ARMISTICE

The Commission stated in the report that announcements in June and July 1951 that armistice negotiations were to start were 'received with apprehension' by the South Korean Government. On 30th June 1951 the Republic's Foreign Minister had sent a letter to UNCURK laying down five points, which until modified after discussions with the US

Government (see below), remained the basis of the Government's position with regard to the armistice. These were:

1. The complete withdrawal of the Chinese Communist armies from Korea.
2. The disarming of the North Korean forces.
3. That the United Nations must agree to prevent any third power from giving military, financial or other assistance to North Korea.
4. Full participation of South Korea in any international conference discussing any phase of the Korean problem.
5. No plan or course of action to be considered as having legal effect which conflicted with the sovereignty or territorial integrity of Korea.

In addition, on the ground that North Koreans were subjects of the Republic, the Government of the Republic took a firm position against the forced repatriation of prisoners of war.

The South Korean Government rejected the 'Indian proposals' embodied in the UN General Assembly's resolution of 3rd December 1952 [see 11.12.52 1h(136)] as unsatisfactory, and when renewed negotiations were likely (in March 1953) the Government 'became increasingly concerned that an armistice would be signed which did not meet its basic aspirations'. The UNCURK report noted that in various statements the South Korean Government had expressed the view 'that there could not be an honourable peace while the Chinese Communist aggressors remained on Korean soil', and that (in the Republic's opinion) 'the only satisfactory solution was to march north and unify the country. An armistice which left Korea divided and Chinese Communist armies in North Korea . . . would be a death sentence to the Republic of Korea'.

The report recorded a statement by President Syngman Rhee on 25th April to the effect that, much as the people of Korea wanted peace, they could not accept an armistice short of unification. It also noted the rejection by the South Korean Government of the UN Command's armistice proposals of 25th May [see 28.5.53 2c(48)] and of the agreement of 8th June on the repatriation of prisoners of war [see 11.6.53 2c(50)]. On this latter, the South Korean Government had stated that the landing of Czechoslovak, Polish and Indian supervisory troops on the Republic's territory would be strongly resisted.

The report also gave a brief account of the release of Korean prisoners of war by order of President Syngman Rhee on 18th June [see 25.6.53 2c(54)]; and the talks between President Rhee and Mr. Robertson, President Eisenhower's special envoy, [see 23.7.53 2c(64)] which led to South Korea's acceptance, on conditions, of the armistice agreement.

Public Support for Government's Policy

The UNCURK report stated that the South Korean Government's policy was 'fully supported' by the National Assembly, which adopted fifteen resolutions on the subject of the armistice negotiations. On 3rd August, after the signature of the armistice, the National Assembly unanimously adopted a resolution expressing, *inter alia*, its opposition to any plan for the unification of Korea which would contravene the sovereignty of the Republic.

The UNCURK report also noted that public opinion in South Korea, so far as was ascertainable, supported the opinions expressed by the Government of the Republic.

THE DEVELOPMENT OF REPRESENTATIVE GOVERNMENT

The UNCURK report described in detail (as did the previous reports) internal constitutional and political developments in South Korea. It said the year 1952-53 had been characterized 'by the consolidation of the President's position, the ascendancy of the Liberal Party in the National Assembly and the weakness of the Opposition'. It also recorded the passing of legislation (over the President's veto) dealing with crimes committed in war time and for ensuring the rights of parties and persons during periods of political campaigning. New labour and trades union legislation and a new penal code (to replace the Japanese code of 1912) had also been enacted.

Apart from the armistice issues, the report stated, 'the Assembly and the Executive have often shown their independence of one another. . . . The Assembly has formulated its own policies, maintained its decisions against the Presidential veto' and 'withheld action on legislation requested by the Government'.

The legislation necessary for the election of the House of Councillors established by the constitutional amendments of July 1952 [see 30.10.52 1h(126)] was, the report stated, as yet not enacted.

The Commission concluded this section of its report by observing that 'despite certain trends and practices noted in previous reports, which it is hoped are of a transitory nature largely resulting from war conditions, the basic constitutional structure of the Republic of Korea remains representative and democratic'. Further technical training assistance in this field was however advisable. As for the relationship between the executive and legislative branches of the Government, this, the Commission felt, could only be worked out by the Korean people themselves.

ECONOMIC AND SOCIAL QUESTIONS

The report reviewed once again the basic economic problems of South Korea, its lack of industrial raw materials and power, its weak administrative structure, the damage and dislocation caused by the war and the demands of high military expenditure on the weakened economy. The resultant shortage of goods, associated with budget deficits and inflation, had brought great hardships to the Korean people. Heavy unemployment persisted in spite of the shortage of skilled labour and was associated with the problem of the relief of war victims, whose number had been estimated at 7.5 million, including about 2.5 million refugees.

The Government of South Korea, with considerable assistance from the programme of civil relief in Korea, had been helping war victims through the distribution of grains and other supplies, but these direct relief activities should, the report stated, be changed as soon as possible. There was an urgent need to mobilize all available manpower in order to expand production and to give the population a chance to earn their own living.

In spite of an exceptionally bad food year, which had caused acute local food shortages in April and May, the general economic situation had improved somewhat since February 1953, mainly as the result of increased imports. There had been increased supplies from Civil Relief in Korea and the UN Korean Reconstruction Agency (UNKRA), but perhaps the most important factor had been the vigorous policy of the Republic of Korea, which had itself imported grains and also made dollar loans to Korean importers. Increased imports, in conjunction with currency reforms and a tightening of credit, had reduced inflation, while agricultural and industrial production had increased.

In spite of these improvements, however, the Commission reported, the Korean Government had found it impossible to budget for sufficient revenue to cover more than half of its expenditure and remained convinced that foreign aid was the only way to meet this deficit. In January 1953, the Korean National Assembly had unanimously approved messages to the President of the United States, the Secretary-General of the United Nations, the United Nations Command, UNCURK and others, calling on them for assistance in meeting the huge deficit.

The response of the US President had been to send a special mission headed by Dr. Tasca to study the Korean economy. UNCURK reported that it had not yet been informed of his detailed findings, but had been told by him that Korea had a high economic potential which, with proper development, would permit impressive economic improvements; some reorganization was, he considered, necessary to permit a better co-ordination of economic assistance.

UNCURK endorsed the view that increased aid was needed in Korea and held that the early development of a 1954 import programme was urgent. It believed that special arrangements would be necessary to co-ordinate economic assistance received through various channels. It advocated administrative reforms in the internal structure of the Korean economy, including an increase in Government salaries. It found the unification of Korea desirable on economic as well as political grounds, but concluded that 'while unification is being sought and conditions of peace established, the burden of security must be collectively borne, if the Republic is to have a real opportunity to develop towards a self-sustaining economy'.

Relief and Civil Assistance

As from 1st July 1953, the United Nations Civil Assistance Command, Korea (UNCACK), which had been part of the Korean Communications Zone Command [see 25.6.53 2c(57)], was placed under the direct authority of the Commander-in-Chief United Nations Command, under the name of Korean Civil Assistance Command (KCAC). Its task remained 'the prevention of disease, starvation and unrest' in the rear areas of a nation at war. Now, however, it was also responsible for carrying out reconstruction and rehabilitation projects not undertaken by UNKRA.

The Commission reported that there had been no major change in the refugee situation and the total relief problem had not lessened, though there had been a slow return of refugees to their homes in areas where security had been restored.

During the period covered by the present report, supplies had continued to be brought in by UNCACK at an increased rate. A total value of \$162,737,688 was included in the Civil Relief in Korea programme for the fiscal year 1952-53, of which \$125,015,800 had been received by 30th June 1953, the balance being on order. Of the total supplies received \$53.7 million was for foodstuffs and \$19 million for agricultural supplies and equipment.

The Commission noted with satisfaction the assistance provided to its war veterans by the Korean Government, but believed that the Government would welcome the services of a specialist with experience of development of a veterans' programme.

United Nations Korean Reconstruction Agency

The Commission had continued to keep in touch with UNKRA which, it noted with satisfaction, was now fully operational¹. Nearly all of

¹The UNKRA Agent-General, in a third addendum to his report to the seventh session of the UN General Assembly, pointed out that, by 30th June 1953, 57 projects

the \$170 million allocated for the 1952-53 programme had in fact been committed and a further programme for 1953-54 had been developed in conjunction with the UN Command and the Republic of Korea, under which UNKRA would provide reconstruction and rehabilitation aid amounting to \$130 million.

FINAL CONCLUSIONS OF THE UNCURK REPORT

The Commission, in its final conclusions, stressed the very substantial contribution made by the Government and people of South Korea to the phase of resistance to aggression, successfully terminated by the signature of an armistice. The Commission said it was necessary that there should be continued close co-operation between the United Nations and the Republic of Korea.

The UNCURK report stated, with reference to the declared UN objective of 'a unified, independent and democratic Korea', that 'in spite of invasion and division, there has emerged in Korea a nation of one race, one language and one culture. Any division of the country is unnatural and unification of the peninsula is the desire of the Korean people'.

Though 'in the final analysis, the reconstruction and democratic development of Korea must depend primarily on the efforts of the Korean people themselves' this process could be greatly assisted by UN action.

The Commission also declared that the cessation of hostilities had in no way reduced the need for continued UN representation to perform the functions outlined in its two previous reports [see 16.11.51 2d p.21].

New Commander of UN Forces Appointed

On 11th September the US Government announced the appointment of General John E. Hull as Commander-in-Chief, UN Unified Command in Korea. He is expected to take over from the present Commander, General Mark Clark, in October.

General Hull, who is 58, was commissioned in the US Army in 1917. His recent appointments include the command of Joint Task Force 7 in 1947, Commandant of the (US) National War College, 1948-51, and Vice-Chief of the Army Staff 1951-53.

Pacific Security

ANZUS Council Meeting

A summary of the communiqué issued after a meeting of the ANZUS Council [see 7.8.52 1e(8)] held at Washington on 9th and 10th September, will be found in section 1b of the *Commonwealth Survey* of 25.9.53.

In the communiqué it was stated, *inter alia*, that the Council had discussed 'the general world situation with specific reference to areas under threat from Communist imperialism'. It also 'took special note of those areas in which Communist aggression has led to outright hostilities', and in particular Korea and Indo-China.

In connection with relations with other States the Council 'considered the place of ANZUS in the development of a broader collective security system for the [Pacific] area. The Council affirmed its readiness to

under its 1952-53 programme [see 25.6.53 2c(56)] were being implemented, 2 had been completed and 8 were being planned. In the course of this addendum tables were given showing contributions to relief and reconstruction in Korea. The Commonwealth contribution will be found in *Commonwealth Survey* 25.9.53 1c.

consider any measure which would strengthen the defence of the area. It unanimously concluded, however, that to attempt to enlarge its membership would not contribute directly and materially to this end.'

Chinese Representation in the UN

No Consideration by Assembly During Current Year

The question of Chinese representation in the United Nations was raised by M. Vyshinsky (USSR) on a point of order early on 15th September, the first day of the eighth session of the UN General Assembly. The Soviet proposal pressing for the immediate seating of the Chinese People's Government as the rightful representative of China was opposed by the US representative, Mr. Dulles, who proposed instead that the General Assembly should not consider this question during the current year.

Mr. Dulles' proposal was supported by Sir Gladwyn Jebb (UK). Sir Gladwyn said that his Government regarded the Chinese People's Government as the Government of China, warmly welcomed the conclusion of an armistice in Korea and hoped that a satisfactory political settlement would follow, bringing the day for the settlement of the question of Chinese representation nearer. But, he said, it was still the view of the UK Government, consistently held during the past two years, that consideration of the problem should be postponed [see 29.1.53 2c(5)]. They must wait to see whether their great hopes were going to be fulfilled. In these circumstances it was entirely appropriate again to postpone consideration until the end of the year.

The General Assembly approved by 40 votes to 10 with 2 abstentions the US-UK proposal to defer consideration of the question.

RN Launch Attacked

UK Protest to China

The UK Chargé d'Affaires in Peking, Mr. Humphrey Trevelyan, on 12th September delivered a Note to the Chinese People's Government protesting 'most strongly' against a wanton attack on a vessel of the Royal Navy. The Note said that the UK Government held the Chinese Government responsible 'for the tragic loss of life and injuries sustained' and reserved the right to claim appropriate compensation.

The Note stated that on 9th September a motor launch of the Royal Navy, while in waters adjacent to Hong Kong, was fired on without provocation by an armed Chinese vessel which used weapons of heavy calibre and inflicted serious damage on the motor launch. The Royal Navy officer in command of the launch and six other men were killed and five men were wounded.

Indo-China

Additional \$385 million US Aid Recommended

M. Laniel, French Prime Minister, announced on 10th September that the US National Security Council had recommended to President Eisenhower that a special supplementary credit of \$385 million should

be granted to France for the prosecution of the struggle against the Communist insurgents in Indo-China.

This new grant, which is subject to ratification by President Eisenhower, will be in addition to the sum of \$400 million appropriated for the area of Indo-China under the US Mutual Security Act 1953-54.

The possibility of increasing US financial and material aid to the forces of the Associate States (Cambodia, Laos and Viet Nam) and the French Union in Indo-China, in the light of new military plans submitted by the High Command of the joint forces, was considered at discussions held in Washington in March of this year [see 16.4.53 2a(50)].

Aid is also being furnished by Australia [see 26.3.53 2c(29)].

International Zone of Tangier

The 1945 Agreement Revised

The international régime in the Tangier Zone of Morocco has been modified as a result of amendments to the Agreement of 1945, which were unanimously adopted by the Committee of Control on 10th November 1952 and approved by the Sultan of Morocco in June 1953. The amendments, which are summarized below, entered into force on 1st August.

The Agreement of 31st August 1945, which was concluded between France and the United Kingdom and endorsed by a Final Act of the same date signed by those two Powers together with the United States and the USSR, restored on a provisional basis and with certain modifications the pre-1940 international régime. These agreements also empowered the Committee of Control, which is at present composed of the senior diplomatic representatives in Tangier of Belgium, France, Italy, the Netherlands, Portugal, Spain, the United Kingdom and the United States, to adopt by unanimous vote any amendments to the Agreement which it found desirable.

An account of the Tangier Zone, and of the origin and modifications of the international régime there, will be found in Reference Note No. R.2521 of 21.1.53 (I.1a) *The International Zone of Tangier*.

THE NEW MODIFICATIONS IN THE INTERNATIONAL RÉGIME

1. The principal official of the International Administration, the Administrator, will continue to be chosen exclusively from the nationals of four so-called 'neutral' Powers: Belgium, the Netherlands, Portugal and Sweden. This system has been in force since 1945.
2. There will be four Assistant Administrators, one French for Moroccan affairs, one British in charge of finance, one Spanish in charge of health, and one Italian in charge of judicial affairs. This represents a full return to the arrangement instituted in 1928 but altered in 1945.
3. In place of one police force there will now be two: one, the General Police Force under a 'neutral' commander with a French assistant, and the other, the Special Police (concerned with the preservation of order) under a Spanish commander with a French assistant. A British officer will be head of the intelligence division of the General Police Force, which includes frontier control among its duties.
4. The Mixed (Franco-Spanish) Intelligence Bureau, which was not restored in the 1945 Agreement, has now been re-established.
5. Italian representation in the Legislative Assembly has been restored and two new vice-presidencies of that body established; one to be held by a US national and one to be elected among the representatives of Powers not otherwise entitled to office in the Assembly.
6. In addition to the above measures, a reform of the judiciary has been effected by an agreement signed by France, Italy, Spain and the United Kingdom on 10th November 1952, and communicated to the other Powers parties to previous international agreements (in 1923 and 1928). This agreement was also approved by the Sultan in June 1953 and came into effect on 1st August. The judicial reforms, which were recommended by the report of a committee of legal experts sitting in Tangier

during August and September 1952, provide particularly for the enlargement of the Mixed Tribunal which will now be composed of Belgian, British, French, Italian, Spanish, US, Dutch, Moroccan, Portuguese, and Swedish magistrates. The last five named are new appointments. Judicial affairs will now also be placed under the charge of an Assistant Administrator [see (2) above].

Morocco

Security Council Proceedings

A request by 15 Arab and Asian nations, that the situation in Morocco be placed on the agenda of the UN Security Council as one likely to endanger international peace and security, failed on 3rd September to secure the necessary seven votes for inclusion. The voting was five votes against (Colombia, Denmark, France, the United Kingdom and the United States), five votes for (Chile, China, Lebanon, Pakistan and the USSR) and one abstention (Greece). The Security Council began consideration of this procedural issue on 26th August.

United Kingdom View

Sir Gladwyn Jebb (UK), speaking on 27th August, recalled the Council's similar decision on the Tunisian question (in April 1952), which, he said, constituted a close parallel, and suggested that it would require new and convincing reasons to persuade the Council to reach a different conclusion in this case. In the view of the UK Government the matter was outside the Council's competence. Consideration of the question would involve interference in the domestic affairs of a member State, which might have serious consequences for the existence of the United Nations. [For a fuller exposition of this argument see 31.12.52 1h(147-149)]. He refuted the allegation that the Moroccan situation was a danger to international peace and security and suggested that there was a close relation between the degree of international interference in Moroccan affairs and the degree of friction in Morocco. A Council debate, he said, might well be the cause of outbreaks of violence in Morocco. United Nations interference might thus provoke the very international friction it was intended to allay.

US Government's View

Senator Lodge (US) stated that his Government did not consider that the situation in Morocco could be said to endanger international peace and security. The fact that some 15 nations might object to a situation in another country was not in itself a case for international concern justifying consideration by the Security Council; such situations, indeed, might always be said to exist somewhere.

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INTERNATIONAL SURVEY

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*Editorial inquiries should be addressed to the Editor, Room 1114, Central Office of Information, Norgeby House, Baker Street, London, W.1.
Telephone: Welbeck 4420, Extension 289*

*Distribution inquiries should be addressed to Room 1121 at the same address
Telephone: Welbeck 4420, Extension 243*

East-West Relations

Soviet Reply to Western Notes

On 29th September the text was published by *Tass* of a Soviet reply to the Western Notes of 2nd September [see 3.9.53 2a(195)].

This Note is the latest in a series which arose out of a Western proposal announced in a communiqué issued after the Washington tripartite conference in July [see 23.7.53 1a(50)]. The Western Powers decided to propose a four-Power meeting to consider 'the first steps which should lead to a satisfactory solution of the German problem, namely the organization of free elections, the establishment of a free all-German Government,' and 'the conclusion of the Austrian treaty'. A Soviet reply on 14th August envisaged a meeting on a widely different basis and proposed to inject into the discussions a series of other complex questions. Some of these, as the Western Notes of 2nd September pointed out, had already been entrusted to the United Nations or to international bodies such as the Political Conference on Korea [see 20.8.53 2c(78)], on which the Chinese People's Republic would be represented. A further Soviet Note of 15th August proposed a meeting on yet another basis, a German peace conference 'to be held within six months', but linked this with criticisms of the policy of the Western Powers and a series of devices which, as the Western reply of 2nd September pointed out, would have the effect of postponing to some indeterminate date the holding of free elections in Germany—the key to any all-German settlement, since an all-German Government not based on the will of the people, so expressed, would not be qualified to take vital decisions affecting the future of the united Germany. The Western Notes of 2nd September renewed the invitation to discuss the German and Austrian problems, a solution of which 'could be expected to pave the way for fruitful discussion of other major questions', and suggested that the meeting might take place at Lugano on 15th October.

The *Tass* English translation of the text of the Soviet Note to the French Government is given below. The Note states that identical Notes were sent to the United Kingdom and the United States Governments.

The Soviet Government acknowledges the receipt of the Note of the Government of France dated 2nd September [see 3.9.53 2a(195)] which is a reply to the Notes of the Soviet Government of 4th and 15th August [see 6.8.53 1a(64) and 2a(167) and 20.8.53 2a(184)]. A study of the Note of 2nd September shows that the reply of the Government of France evades the questions raised by the Soviet Government, the examination of which could facilitate a settlement of ripe international problems and at the same time strengthen peace and international security.

In its Note of 4th August the Soviet Government proposed to examine the question of measures promoting a general relaxation of tension in international relations as well as the German question, including the problem of re-establishing the unity of Germany and concluding a peace treaty. In addition to this the Soviet Government, in its note of 15th August, outlined the basic questions pertaining to the urgent tasks of solving the German problem.

In putting forth these proposals the Soviet Government has the aim to reach agreements that would correspond to the striving of the peoples to strengthen peace, and would promote a settlement of the German question in conformity with the interest of the peace-loving peoples in Europe as well as of the German people themselves. The questions raised in the above-mentioned Notes of the Soviet

Government have now acquired still greater significance, first and foremost as regards the relaxation of international tension, the importance of which is not disputed in the Note of the Government of France dated 2nd September.

The Soviet Government has noted the fact that the achievement of an armistice in Korea has created favourable conditions for securing a reduction of international tension. Of late, however, new difficulties have arisen in settling the Korean question. The very convocation of the political conference on the Korean question encounters serious difficulties, inasmuch as, in determining the composition of the political conference at its seventh session, the General Assembly, as a result of all kinds of measures on the part of the United States, displayed impermissible one-sidedness and crass underestimation of the importance of co-ordinating action with such directly concerned countries as the People's Republic of China and the Korean People's Democratic Republic.

Yet the success of the political conference largely depends on the joint efforts of both sides concerned and on the participation of other States which facilitated the achievement of the armistice and are striving for a final settlement of the Korean question. Attention is attracted also by the aggressiveness of the South Korean Syngman Rhee clique, which continues to repeat its threat to violate the armistice.

[Over]

As regards the Asian countries, one must not ignore other ripe political problems which are of especial importance for the national interests of those States and for the consolidation of peace. In this connection mention should first of all be made of the need to restore the legitimate rights of the People's Republic of China, which must be ensured the restoration of her inalienable rights in the United Nations, now prevented only by the resistance of some States.

In the interests of easing international tension it is necessary to settle questions of this kind without delay. Among them are included a number of important problems affecting the situation in countries of south-east Asia and the Pacific region. The constant participation of the People's Republic of China is necessary in settling such issues, as well as in achieving a general reduction of tension in international relations. It is a matter of record that when the foundations of the United Nations were laid the place of China in settling the main questions of peace and security of the nations was defined precisely in this way.

As for Europe, recent political developments in western Germany have increased alarm in the peace-loving countries. In western Germany, especially in view of the pressure of foreign circles relying on the big German monopolies, there is a rise in the influence of revenge-seeking elements which have again begun to speak the language of the *Drang nach Osten*, the aggressive policy that has already brought immeasurable calamities not only to other peoples but to the German people themselves.

Although the failure of this policy is inevitable the peace-loving States of Europe, especially the neighbours of western Germany, cannot ignore the above-mentioned negative facts of the political developments in western Germany, inasmuch as in the heart of Europe yesterday's Hitlerites are becoming increasingly insolent and the threat of establishing a new dangerous hotbed of aggression is growing.

In its Note of 4th August, the Soviet Government, taking into account the dangers presented by the aggressive policy of the North Atlantic *bloc*, emphasized the importance of the question of reducing armaments and prohibiting military bases on the territories of foreign States. To avoid examining this question would mean to ignore that which is of prime significance for reducing international tension. Precisely the continuing armaments drive, especially in connection with the stockpiling of atomic, hydrogen, and other weapons of mass destruction, demands that there be no delay in considering the question of reduction of armaments and the prohibition of atomic, hydrogen, and other weapons of mass destruction, with the establishment of effective international control over the implementation of the respective agreements.

Nor can it be denied that the establishment by certain Powers of air and naval bases in countries of Europe, Africa, and Asia, bases especially numerous near the frontiers of the USSR, and of the People's democracies, pursues aggressive ends. Refusal to consider the question of military bases on the territory of foreign States can naturally be regarded as unwillingness to promote a relaxation of international tension which may undermine trust in any statement concerning a desire to settle ripe international issues.

Since both the Soviet Government and the Government of France have repeatedly expressed their striving to reduce international tension, one cannot ignore the fact that the propaganda for a new war and calls for fresh acts of aggression are not ceasing, and that the Governments of certain States have openly gone over to acts of diversion, terror, and sabotage in the countries of the democratic camp.

The well-known resolution of the General Assembly condemning propaganda for war, far from being implemented, is frequently openly trampled on by responsible official circles of

certain States which are extolling the 'policy of strength', intensification of the 'cold war', and so on. It is perfectly evident that to reduce tension in international relations it is necessary to take such measures as would effectively rebuff the aggressive circles' attempts to undermine the confidence of the peoples in the preservation and consolidation of peace and international security.

It follows from all the above-said that important problems of international significance have become ripe, demanding urgent joint consideration with the participation of France, Great Britain, the United States of America, the People's Republic of China, and the Soviet Union, since, according to the United Nations Charter, it is on these countries that the responsibility for ensuring peace and international security rests first and foremost.

In conformity with this, the Soviet Government, in its Note of 4th August, proposed to examine at a meeting of Foreign Ministers measures to reduce tension in international relations. The significance of discussing such important international questions is perfectly obvious. Nevertheless, the Note of the French Government of 2nd September completely under-estimates the need for relaxing international tension, since the reply of the Government of France circumvents the above-mentioned important, and at the same time ripe, international problems.

In its Notes of 4th and 15th August, the Soviet Government also proposed comprehensively to examine at a meeting of Foreign Ministers the German problem. The Soviet Government proposed to discuss the following questions:—(1) Convocation of a peace conference to examine the question of a peace treaty with Germany. (2) Formation of a provisional all-German Government and holding of free all-German elections. (3) Easing of Germany's financial and economic obligations connected with the consequences of the war.

Of all these questions the Note of the Government of France dated 2nd September touches only on all-German elections, and fully ignores all other questions which are of paramount significance for solving the German problem. Such a stand is all the more untenable because all-German elections are a purely internal matter of Germany, which must be settled by the German people themselves, no interference being permitted on the part of foreign Powers. On the other hand, the Note of 2nd September by-passes the fundamental questions pertaining to Germany, the settlement of which under present conditions is impossible without the active participation and co-operation of the four occupying Powers: France, Britain, the United States, and the USSR.

The Soviet Government has twice sent to the Government of France, as well as to the Governments of Britain and the United States, its draft principles for a peace treaty with Germany, with the proposal to discuss this draft or to submit for consideration its own draft of a peace treaty.

A year and a half have passed, but the Government of France has not expressed its opinion regarding the Soviet draft peace treaty, and has not submitted its own draft. In its Note of 15th August of this year the Soviet Government proposed to convene within six months a peace conference with the participation of all States concerned, ensuring proper representation of Germany at all stages of preparation of the peace treaty and at the peace conference. The reply Note of the Government of France circumvents the question of convening a peace conference, although the significance of such a conference cannot be disputed.

The unification of Germany along peaceful and democratic lines, according to the proposal of the Soviet Government, should be facilitated by the formation of a provisional all-German democratic Government. Such a Government could either replace both existing Governments in eastern and western Germany prior to the holding of all-German free elections, or could temporarily assume certain all-German functions, and primarily the preparation and holding

of all-German free elections, while preserving the Governments now existing in eastern and western Germany.

The Government of France has not agreed to this proposal of the Soviet Government either. With such an attitude to the above-mentioned proposal of the Soviet Union practicable measures towards the re-establishment of Germany's unity are precluded, since no all-German organ is being set up which could give effect to the will of the German people in the preparation of all-German elections. It follows at the same time from this that the intention is to turn over the holding of all-German elections actually to the occupying Powers, which creates the possibility of impermissible pressure by foreign authorities on the entire course of preparing and holding the elections.

In its Note of 2nd September the Government of France at last gave up the proposal to set up the so-called 'neutral commission' of representatives of foreign States for an investigation with the aim of establishing conditions for holding all-German elections, which as is known, it did not do in its Note of 15th July of this year [see 23.7.53 2a(159)], and on which it insisted for many months. But in that case there should be no objections to the Soviet proposal that the holding of elections be turned over to the Germans of eastern and western Germany themselves, without any interference and pressure on the part of foreign Powers.

In its Note of 15th August the Soviet Government, moreover, proposed to the Government of France, Britain, and the United States to take a decision on easing Germany's financial and economic obligations connected with the consequences of the war, namely:—To relieve Germany, as at 1st January 1954, of her payments of reparations and Government post-war debts to the four Powers; to limit the occupation expenses to sums not exceeding 5 per cent of the national budget revenues of eastern (and western) Germany; to relieve Germany entirely of repayment of the debt incurred after 1945 in connection with the external occupation expenses of the four Powers.

All these questions, related to easing the financial economic obligations of Germany connected with the consequences of the war, are circumvented in the Note of the French Government dated 2nd September. Yet the adoption of the Soviet Government's proposal would at once give the German people serious economic alleviation and would contribute to the advance of Germany's economy, which naturally is awaited by the population of Germany, since more than eight years have passed since the end of the war. The Soviet Government continues to deem it necessary that the Govern-

ment of France, as well as the Governments of Britain and the United States, express their attitude to the above-mentioned proposals of the USSR.

The need for urgent settlement of the above fundamental questions pertaining to Germany is dictated by the fact that of late ever-new measures of anti-democratic pressure are taken from the outside, with the object of securing a ratification by Parliaments of the respective States of both the Bonn and Paris agreements, with the help of which it is intended to effect the militarization of western Germany and to turn it into an obedient tool of the aggressive North Atlantic *bloc*. All this is carried out notwithstanding the fact that the ratification and implementation of these agreements would turn western Germany into a hotbed of new aggression, with all attendant dangerous consequences for the German people and for the maintenance of peace in Europe, and would make the unification of western and eastern Germany into one State impossible.

In view of such a situation the Soviet Government, agreeing to the proposal of the Government of France to examine the question of all-German elections, at the same time deems it necessary that the consideration of the German problem of the meeting of the Foreign Ministers should not be limited to this question only.

It is necessary to come to agreement that at the coming meeting the discussion of the German problem should cover all the main issues mentioned above, and that representatives of both eastern and western Germany should take part in this discussion.

In conformity with the above, the Soviet Government proposes to convene the meeting of the Foreign Ministers, proceeding from the following:—

(1) To examine at the meeting consisting of the Foreign Ministers of France, Britain, the United States, the People's Republic of China, and the Soviet Union, measures for reducing tension in international relations.

(2) To discuss at the meeting consisting of the Foreign Ministers of France, Britain, the United States, and the Soviet Union, the German question, including all proposals put forth in the course of preparing the meeting.

The Soviet Government has not yet received the reply of the Government of France to its Note of 28th August [see footnote to 3.9.53 2a(155)], regarding the Austrian treaty, and expresses readiness to continue discussing this question in the usual diplomatic way. The Soviet Government is also sending identical Notes to the Governments of Britain and the United States.

Mr. Nutting on the Soviet 'New Look'

In the course of a speech on 22nd September at the meeting of the Consultative Assembly of the Council of Europe at Strasbourg, Mr. Anthony Nutting, UK Parliamentary Under-Secretary of State for Foreign Affairs, analysed what he called the 'new look' in Soviet policy since the death of Stalin.

Though there had been some slight modification of the Soviet propaganda vocabulary, some of the more extreme epithets such as 'cannibals' no longer being applied to the West, Mr. Nutting said he had noticed little if any change in the Soviet hate propaganda against the free world, and their efforts to divide Western Europe against itself, and above all against the United States, continued in unrelenting fashion. Nor would it appear from the latest Russian Notes, which still envisaged postponing to some indefinite date the holding of free elections throughout Germany, that they were willing to help in solving such individual problems as that of German reunification in freedom. Moreover, it

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was clear from a brief study that M. Vyshinsky's disarmament proposals in his speech in the UN General Assembly general debate on 21st September [see *Appendix IV* (roneoed) to this issue] differed in no way from those previously put forward by Russia. These had been previously rejected on good and sufficient grounds by Western representatives at the United Nations, and in any case the present level of armaments was not in itself the cause of present tensions but the result of them.

Mr. Nutting concluded that 'so far the Soviet Union have not departed from their traditional policies in any significant or irrevocable sense and that they have not so far shown any readiness to reach a settlement of outstanding issues.' These, he said, had been the conclusions made by M. Spaak in a 'most realistic analysis' earlier in the session, and he submitted 'that to ignore them would be the most dangerous of follies'.

The full text of Mr. Nutting's speech will be found in *Appendix III* (roneoed) to this issue.

UN Assembly General Debate

Statements by UK, US, Soviet & French Representatives

The eighth regular session of the General Assembly of the United Nations opened in New York on 15th September. Mrs. Vijayalakshmi Pandit, of India, was elected President of the Assembly, to succeed Mr. Lester Pearson, of Canada.

On 24th September, in the course of the Assembly's general debate, which continued until 29th September, a speech was made by the UK representative, Mr. Selwyn Lloyd. In his speech, Mr. Selwyn Lloyd examined some of the dangers to peace existing at the present time and considered what part the Assembly could play in helping to avert them, and what, in general, should, in the view of the United Kingdom, be the role of the United Nations in the world. The text of this speech, together with summaries of those made by the US representative, Mr. Dulles, on 17th September, by the Soviet representative, M. Vyshinsky, on 21st September, and by the French representative, M. Schumann, on 25th September, will be found in *Appendix IV* (roneoed) to this issue of *International Survey*.

UN Prisoners-of-War Commission

Statements at Fourth Session

The UN *ad hoc* Commission on Prisoners of War held its fourth session in Geneva between 24th August and 10th September, a public session being held on the final day. The Commission has submitted a report to the Secretary-General of the United Nations for transmission to the General Assembly at its eighth session. The report will be considered by the Third (Social, Humanitarian and Cultural) Committee.

Report of the Commission

The Commission, which was established by a resolution of the General Assembly on 14th December 1950 after the receipt of information that large numbers of prisoners captured during the second world war had not yet been repatriated, has reported no change in the situation since 12th September 1952, when a report was submitted at the conclusion of its third session [see 2.10.52 1i(51)]. In sectors where the full co-operation of governments had been given, the problem of prisoners of war no longer existed, the Commission said, whereas the problem remained in its entirety where such co-operation had been withheld. Seventeen governments¹ had failed to reply to the Commission's request for information. Also, the Commission believed that the co-operation of the Government of the USSR was indispensable to the success of its task, and that, having failed to obtain such collaboration, its work had reached an *impasse*. Austria, France, Luxembourg and the Netherlands were among governments conducting direct negotiations with the USSR for the return of their nationals believed to be held in that country.

¹Albania, Argentina, Bulgaria, Byelorussian SSR, People's Republic of China, Czechoslovakia, Ethiopia, Democratic Republic of Germany (Eastern Germany), Hungary, Iceland, Republic of Korea, Paraguay, Poland, Roumania, Syria, the Ukrainian SSR and Uruguay.

Australia, Burma, Canada and the Philippine Republic had informed the Commission that they were no longer holding any prisoners of war, and ten other countries, including the United Kingdom, had reported the release of 2,300 prisoners held in connection with war crimes.

Prisoners Still Detained in Communist Countries

Evidence was submitted during the Commission's session by the Federal Republic of Germany and by Italy and Japan that some of their nationals were still held by the USSR and the People's Republic of China, as well as by Albania, Bulgaria, Czechoslovakia, Hungary, Poland and Roumania.

German Prisoners of War. The West German Government submitted to the Commission a list of the names of 102,958 Germans who were known to have been held as prisoners by the Soviet Union between 1945 and 1953 and none of whom had ever been accounted for by the Soviet authorities. In addition, lists of 1,272,896 missing German soldiers and 750,000 civilians deported to the USSR were submitted. *Tass*, the official Soviet news agency, stated on 4th May 1950 that only 13,546 German prisoners were still in the Soviet Union and maintained also that 9,717 Germans had been condemned as war criminals and that 3,815 were detained pending investigations as to whether they had committed war crimes. These statements were repeated on 30th August 1953, the Soviet Government having announced on 23rd August its intention to repatriate all German prisoners of war still held by them 'except those guilty of particularly serious offences against peace and humanity'. No figures of the numbers involved were given at that time.

Italian Prisoners of War. The Italian Government reported to the Commission that 63,000 Italian prisoners were still held by the Soviet Union.

Japanese Prisoners of War. The Japanese estimate of the number of their nationals held in all Communist-controlled areas of the Far East, including China and North Korea, and leaving out 246,000 confirmed as dead, was given to the Commission as approximately 85,000 of whom nearly 22,000 were thought to remain in Soviet territory. The Japanese had, however, been encouraged by the repatriation during the year of 22,487 of the 30,000 Japanese said by Peking radio to have been held in China on 1st December 1952. Of those remaining in Communist hands, approximately 56,000 were presumed alive, 16,500 presumed dead, and 12,500, presumed alive at the end of the war, were still unaccounted for.

Eighth Session of GATT

United Kingdom Views

The eighth session of the Contracting Parties¹ to the General Agreement on Tariffs and Trade (GATT) began at Geneva on 17th September. Out of an agenda of 40 items, three are of particular interest to the United Kingdom, viz., (1) the extension of the life of the tariff concessions made at previous GATT conferences, (2) the request of the United Kingdom for a limited waiver of the obligation not to increase margins of preference, in order that she may enjoy the same freedom as other contracting parties to raise 'unbound' tariffs where this is proved necessary, (3) the request of Japan for provisional accession to the GATT.

The UK Government's general views were given by the President of the Board of Trade, Mr. Thorneycroft, on 18th September.

The Background

The United Kingdom, said Mr. Thorneycroft, had more than a minor interest in the issues that faced the Contracting Parties. 'We live by exports—they represent no less than one-fifth of our total national income. In such circumstances we need to consider international trade policy with the greatest care. If our judgment is wrong we do not injure just a small group of producers: we strike at the foundations of our economy. Nor have we ourselves alone to consider. Something like half of the world's trade is conducted in sterling. It is an international as well as a national responsibility to see that sterling is strong.' He then reaffirmed the United Kingdom's support for the GATT but drew attention to the fact that its objectives 'cannot, however, be attained and the multilateral system cannot work—or work fully—until an end is put to the chronic unbalance of trade which exists to-day. After all, the GATT was based upon the assumption of transitional and not permanent disequilibrium'.

Mr. Thorneycroft then referred, as had the Canadian delegate earlier, to the crucial importance of United States policy. He said 'any attempt to cure the chronic unbalance which exists today is doomed to failure this side of a fundamental change in American commercial policy. A large range of potential exports to America are faced with tariff rates of 50 per cent, 60 per cent, or even more. There are notorious difficulties of customs valuation which vastly increase the real burden of tax. There is the Buy American Act. There is the discriminatory shipping policy. There are the reciprocity provisions which inhibit the unilateral lowering of trade barriers, which is axiomatic to a solution of unbalanced trade.' At the same time, it was true that debtors as well as creditors had obligations. 'There is, indeed, no surer way to a balance of payments crisis than a failure to preserve a proper balance in one's internal economy. Nothing the United States can do can balance trade with the rest of the world, no matter how generous she is, if the rest of the world pursues inflationary internal policies.' Moreover, it would be unrealistic to expect

¹Australia, Austria, Belgium, Brazil, Burma, Canada, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Dominican Republic, Finland, France, German Federal Republic, Greece, Haiti, India, Indonesia, Italy, Luxembourg, the Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Peru, Southern Rhodesia, Sweden, Turkey, the Union of South Africa, the United Kingdom and the United States, Uruguay, the Philippine Republic, and the Republic of Korea, have undertaken tariff negotiations with a view to acceding.

the United States to take decisions on these matters in a few weeks. The Randall Commission on Foreign Economic Policy [see 25.6.53 1e(32)] had only just started work.

'What then,' asked Mr. Thorneycroft, 'should be our policy for this session of the GATT? First, we should not try to plan for a world the exact nature of which we do not yet know. Secondly, we should not attempt to take decisions of major policy calculated to strain the whole structure of the organization. Thirdly, we must co-operate in dealing in a workmanlike way with technical difficulties which give rise to urgent practical problems. Fourthly, we should seek by all means to preserve the foundations of the organization which we have by our joint efforts built up.'

Mr. Thorneycroft then illustrated what he meant by referring to a few items on the agenda. His observations, together with explanatory notes, will be found under the heads below.

Extension of Concessions

'During this interim period, it would surely be wise to preserve the main tariff structure by a continued deferment of the operation of Article XXVIII. In other words, we should keep the bound items bound.¹

Unbound Items

'We in the United Kingdom do, however, need some freedom on the unbound items. Here is a technical difficulty which gives rise to an urgent and real problem for the United Kingdom Government. . . . We seek a solution which is consistent with the basic provisions of the GATT and which safeguards the interests of other Contracting Parties.'

In a later session, Mr. Thorneycroft said that the problem was giving rise to real difficulties in the United Kingdom. The essence of the problem was simple: it was that the United Kingdom was unable to raise tariffs on the unbound list (the position of the bound items was not in any way affected or prejudiced) whereas other countries could do so freely. The United Kingdom had traditionally given free entry on a large range of Commonwealth goods and could not under existing legislation change the situation. In view of that and of the rule against new preferences, the greater part of the United Kingdom tariff was frozen, and that was obviously not a position which could easily be defended by any government. It would, he said, be politically impossible to introduce a Bill to impose tariffs on Commonwealth goods; no United Kingdom Government could pass such a law merely to achieve compliance with technical rules.

Mr. Thorneycroft emphasized that the United Kingdom intention was not to use any waiver to increase the preferential advantage of Commonwealth suppliers in the United Kingdom market. All the United Kingdom wanted was to enjoy the same freedom as other contracting parties to raise unbound tariffs where this was proved necessary to help agriculture and industry. If the waiver were granted there would, he said, be no diversion of trade, since the Commonwealth did not in general supply the goods concerned. The United Kingdom was ready to adopt suitable procedures to safeguard the interests of contracting parties in cases where an increase in the margin of preference might lead to a substantial diversion of trade to the Commonwealth. The waiver would apply only after

¹'Bound items' are those goods on which tariff concessions have been negotiated at the three tariff conferences—at Geneva, Annecy and Torquay—held under the GATT. At the Torquay conference in 1950 it was agreed to extend the life of these concessions until 31st December 1953.

consultation and, if necessary, arbitration. Mr. Thorneycroft stressed that he was not asking for a general waiver of obligations under Article I but for a narrowly restricted waiver which was the minimum needed to surmount the problem.

Mr. Thorneycroft said he would like to meet criticism in advance on two points. First, the grant of *ad hoc* waivers, which might be suggested, would mean continued tariff negotiations on unbound items. Secondly, any suggestion that tariffs should not be increased at all was not really relevant, because unbound items could be increased under the GATT rules. The waiver would not in fact put the United Kingdom on as favourable basis as other countries so far as unbound items are concerned. The United Kingdom regarded tariffs and not quotas as the right method of protection. The United Kingdom intention was to get rid of quotas as soon as the balance of payments position permitted.

Japan's Provisional Association

'Finally, there is the difficult issue raised by Japan's application at this stage for provisional association. This application raises many difficulties for a number of us . . . I wish that this issue could have been postponed till after the difficult transitional stage through which the GATT is now passing. I believe that, even now, all concerned should ponder whether it is really in anyone's interest (and I include in this the Japanese) to press the issue at the present time. If it were so pressed, and I say this in no spirit of animosity against Japan, then the United Kingdom would abstain from participation.'

An explanation of the UK view on this question was given by Mr. Thorneycroft in a later speech, on 23rd September, as follows:

'A year ago the Contracting Parties examined this matter, and it presented difficulties then. On the one hand, there were memories of Japanese competition before the war; and on the other, fears of a recurrence of such competition again. Behind these difficulties looms an even larger problem. The fears of Japanese competition recurring may be justified or not; but the fact is, they exist not only in the United Kingdom but also among many other Contracting Parties, and they would be bound to have their effect on the tariff and quota policies of the countries concerned. They are bound to make it not easier but harder to make progress in lowering of trade barriers. Nations would be anxious to protect their domestic industry, and if Japan was in the GATT, the result would be that they would raise barriers upwards against all nations, since concessions which are made to one Contracting Party must be made to all.'

'Such a situation could only do serious damage to the United Kingdom and other exporting countries, and in any case it could do nothing but harm to the objectives of the General Agreement.'

'An inter-sessional committee examined these problems. There were long discussions to see if suitable safeguards could be introduced [see 26.2.53 1e(7)]. . . . Now we have before us this application for provisional association. I must say that I see little difference between provisional association in this form and permanent accession. GATT itself is provisional, and will probably go on as provisional for quite a time. I feel that all these distinctions between provisional and permanent tend to be artificial.'

'I should have thought that it would be easier to look at this matter in the light of the general review of the GATT which will be taking place in due course. I would ask the Contracting Parties just to consider the situation as it is to-day. First, look at tariff structure. The other day we

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had a discussion on Article XXVIII in the course of which country after country pointed out the substantial difficulties which it faced in continuing to bind its tariffs. They explained that time had had a considerable effect upon a tariff structure which had been established under different circumstances some time ago. Many expressed an anxiety to modify these rates. It seems probable, or at least possible, that, after some heart-searching, we shall agree to keep the bound tariffs bound. To introduce now, however, a new low-cost producer would certainly exacerbate these difficulties. The logic of the case which was put forward by the other countries when we were considering the difficulties on Article XXVIII is that the time to consider the question of Japan's entry would be when we have fresh tariff negotiations.

'Secondly, let us look at the area of competition. For reasons which we all know and understand the Eastern markets are much reduced. The UK and the United States are fully agreed upon East-West trade policy. We all know the difficulties and the reasons underlying this, but we must face the facts of the situation. The fact is that Japan had an important market in China before the war. Japan is not the only country whose trade has been greatly reduced: the trade of other countries is similarly affected. I am not seeking here to debate the question of East-West trade. I only ask the Contracting Parties to face the facts.

'If this is the situation in the markets of the East, what about the markets in the West? Again we must face the facts. Can it be contended that dollars can be readily earned in the United States market to-day? For the time being, at any rate, the United States remains highly protectionist. Whether we like it or not, the whole trade of Europe and of Japan is turned inward upon itself and is artificially concentrated on a limited area of the world, including, if I may say so, the United Kingdom's traditional Commonwealth markets.

'In these circumstances, with American commercial policy still uncertain, we in the United Kingdom feel that this application is premature. We cannot understand what practical advantages would follow from Japan's association with the General Agreement which could not be obtained by other methods. Japan is faced with no pressingly urgent practical problems which are not capable of solution, for all practical trading purposes, by methods of co-operation and goodwill outside the legal provisions of the General Agreement. After all, it is practical solutions that count. Paradoxically enough, it has been the United Kingdom and the colonies that have in recent months announced practical steps to assist Japan in her problems. For example, a few months ago we announced certain increases in the quotas for Japanese goods in most of our colonies: and, only a few days ago, East Africa announced an early relaxation of the embargo there on imports from Japan.

'I hope, therefore, that the Contracting Parties will consider these arguments—they are serious ones. I hope that they will consider whether this issue could not be deferred. After all, is accession as a result of a majority vote, without a tariff agreement, and with the Contracting Parties deeply divided, something which will really help Japan?

'If, however, Japan feels bound to press this application, and the majority agree, the United Kingdom will not vote against the application. We will, as I have made clear, abstain from voting and abstain from participation in any new obligations that are undertaken.'

Multilateral Trade and Payments

UK Government Views

The text of the speech by Mr. R. Maudling, Economic Secretary to the UK Treasury, at the annual meeting of the Board of Governors of the International Monetary Fund in Washington on 10th September, in which he expressed the UK Government's belief that 'the time is ripe for a courageous and concerted move to a free system of multilateral trade and payments', has been issued as an appendix to this issue of *International Survey*.

UK Trades Union Congress

International Policies and Activities

The 85th meeting of the Trades Union Congress (TUC), the national centre of the UK trade union movement, took place at Douglas in the Isle of Man from 8th to 13th September. Most of its business was concerned with domestic issues [see *Home Affairs Survey* 29.9.53 2a(70)], but part of the presidential address and a considerable proportion of the proceedings of 11th September were devoted to a consideration of international affairs and of trade union policy and action at the international level.

REPORT OF THE GENERAL COUNCIL

As a background to its deliberations the Congress had before it, and adopted, the Report of the TUC General Council on its year's work. The section of this Report devoted to international affairs reviewed the decisions and actions of the General Council in this field and the work of the international bodies of which the TUC is a member, notably the International Labour Organization (ILO), and the International Confederation of Free Trade Unions (ICFTU).

International Labour Conference

The thirty-sixth session of the International Labour Conference was held in Geneva, Switzerland, from 4th to 27th June 1953. The main items on the agenda were: holidays with pay; protection of the health of workers in places of employment; minimum age of admission to work underground in coal mines; and organization and working of national labour departments.

Among the decisions of the Conference was a constitutional change: an increase in the membership of the Governing Body from 32 to 40. Mr. Alfred Roberts, of the General Council of the (UK) TUC, was elected Workers' Vice-President of the Conference and re-elected as Chairman of the Workers' Group of the Conference.

International Confederation of Free Trade Unions

The Report called attention to the welcome increases in the membership of ICFTU, whose aggregate membership had risen to about 54 million in 100 organizations in 74 countries, and to the unremitting struggle of ICFTU to prevent or remove restrictions on the exercise of trade union rights in any country. ICFTU called on the ILO for an investigation into the situation in Poland, where only government-controlled unions are allowed to function, and submitted a formal complaint to

the UN Economic and Social Council on the suppression of trade union rights in Spain. A special joint committee, composed of ICFTU representatives and members of the Workers' Group on the ILO Committee on Freedom of Association, was set up in March 1953, on which Mr. Ernest Bell, Secretary of the TUC International Department, serves as one of the ICFTU representatives.

The regional activities of ICFTU had considerably expanded during the year under review. A considerable portion of these activities were in the territories of the Commonwealth [see *Commonwealth Survey* 25.9.53 1e(142) and 3.7.53 2f(17)].

The third World Congress of ICFTU was held in Stockholm from 4th to 11th July. Amongst its decisions were three constitutional changes: (1) the abolition of the General Council, the representative body meeting between ICFTU congresses; (2) an increase in the number of seats on the Executive Board from 19 to 25; (3) a widening of the field from which the president could be selected to include any organization connected with ICFTU. [For the original constitution of ICFTU, see R.2351 (I. 2g) of 10.3.52, *British Trade Unions and International Associations*.]

Two workers' representatives from East Berlin and the Eastern Zone of Germany, who attended the ICFTU Congress by invitation of the Executive Board, gave an eye-witness account of the recent risings in these areas¹. The Congress decided to send a special Commission to Berlin to conduct an inquiry on the spot and report its findings. The Commission, which spent 9th and 10th July in Berlin, was composed of Mr. T. O'Brien (UK), M. Babou (France), and Mr. Irving Brown (US). In reporting on the result of the mission, Mr. O'Brien appealed that all national centres affiliated to the ICFTU should urge their governments to make representations to the Soviet Government to bring about the release of all workers in East Berlin and Eastern Germany arrested in connection with the events of 17th June. The ICFTU Congress fully endorsed this recommendation and decided to set up a special fund to assist the workers of East Berlin and Eastern Germany in their struggle against oppression.

TUC Resolution on East German Demonstrations

Developments in East Germany had also been considered at their June meeting by the TUC General Council, which had issued the following declaration:

The General Council of the Trades Union Congress join with the German Free Trade Union Movement in paying their tribute to the courage of the workers in the Eastern Sector of Berlin and the Eastern Zone of Germany, during their demonstrations in Berlin and many other centres, in protest against the conditions imposed upon them. The demonstrations are evidence that the régime which functions there does not operate with the consent of the people nor does it follow policies which they support. This bold affirmation of the will of the German people in the East in itself repudiates the reiterated Soviet and Communist propaganda about the 'Eastern Paradise'. On behalf of the overwhelming majority of British workers, the General Council honour their East German comrades in their courageous and inspiring action, and pay tribute to those who lost their lives in the brutal repression of the German workers by Soviet forces during and after the demonstrations.

This declaration was forwarded to the Deutscher Gewerkschaftsbund (DGB)—the national trade union centre of the Federal Republic of Germany—who replied on 1st July that they had taken steps to ensure that the text of the TUC's declaration became known to their colleagues in the East.

¹See 25.6.53 2a(139).

These paragraphs in the Report were challenged during the Congress debates but were approved, after the General Secretary had reaffirmed the TUC's support of all peoples who refused to accept subjection by Russia or any other Power.

RESOLUTIONS OF THE TUC

Two resolutions on international affairs were accepted by the Congress. One, proposed by the Electrical Trades Union, condemned the slowness of modern diplomacy and called for a meeting, without further delay, between the heads of the Governments of France, Russia, the United Kingdom and the United States to assist the aims of peace throughout the world. The second, proposed by the National Union of Tailors and Garment Workers, stressed the importance of the Commonwealth as a mature stabilizing force in the economic and political maladjustments of the times, and urged the UK Government to exercise greater determination in promoting international consultation to secure the peaceful co-operation of all nations.

Various resolutions which were critical of the foreign policy of the UK Government were defeated. The Chemical Workers' Union proposed a resolution urging the British trade union movement to take the initiative in advocating a Socialist programme of economic development, based on political co-operation, leading to the creation of a progressive third force in world affairs capable of filling the vacuum that exists between Russia and the United States. The resolution was defeated after the argument had been advanced that a third force could not solve the problem and that the right policy was to make the United Nations a real instrument for co-operation and peace.

A resolution by the Fire Brigades' Union urged the reduction of armament expenditure. The resolution was defeated after it had been opposed on the ground that unilateral disarmament was not a sure guarantee of peace.

World Refugee Problem

Work of the UN High Commissioner's Office

The report of Dr. J. G. van Heuven Goedhart, the United Nations High Commissioner for Refugees [see 24.1.52 2h(1)], for the period June 1952 to May 1953, will be considered by the UN General Assembly at its eighth session, which began on 15th September.

The UN Economic and Social Council (ECOSOC) considered the report at its sixteenth session from 30th June to 5th August, and transmitted it to the General Assembly with a resolution endorsing a recommendation made in it for the prolongation of the Office.

Origins and Purpose

The High Commissioner assumed responsibility for the international protection of refugees after the International Refugee Organization (IRO) had ended. The decision to establish a High Commissioner's Office for Refugees as from 1st January 1951 was taken by the UN General Assembly at its fourth session on 3rd December 1949. The statute of the Office of the High Commissioner, which was incorporated in a resolution by the fifth session of the Assembly, gave the High Commissioner no operational responsibilities, but charged him to provide

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international protection to refugees and to seek permanent solutions for the refugee problem by assisting governments and private organizations to facilitate their voluntary repatriation or their assimilation within new national communities. It confined his functions to refugees outside their country of nationality who, for various reasons, were unable or unwilling to avail themselves of its protection. Refugees who enjoyed citizenship rights in their country of residence, that is 'ethnic refugees' or 'national refugees' were not included in the mandate—e.g. the very large numbers of German refugees in Germany and of Arab refugees in the Middle East.

The High Commissioner is authorized to solicit contributions for the UN Refugee Emergency Fund (UNREF). Up to 31st March 1953, \$739,712 had been contributed in cash and a further \$321,714 had been pledged. Governmental contributions in cash were \$480,308, of which the United Kingdom contributed \$280,000.

REPORT OF THE HIGH COMMISSIONER

The High Commissioner's report, after surveying the origins, aims and work of the Office, and the position of refugees, concludes that the problem of the refugee camps in Europe and the unsolved cases in the Middle and Far East remains one of the most urgent of contemporary social problems. Although most of the countries of residence have accepted the basic responsibility for the maintenance of refugees and have made great efforts to provide some permanent solution of the problem, some central organization concerned with the problem of refugees is still needed.

The High Commissioner therefore considers that the responsibilities of the United Nations in providing international protection and seeking permanent solutions should, at the present time, mainly be the promotion and co-ordination of operations on behalf of refugees. He recommends that the General Assembly should decide to prolong the Office for a period of not less than five years, and should give attention to the continuing problem of emergency aid for the most needy groups of refugees and those requiring institutional care.

Activities

The High Commissioner's Office, the report states, has promoted the conclusion and ratification of international agreements affecting refugees, notably the Convention Relating to the Status of Refugees of 28th July 1951 [see 24.1.52 2h(2)]. It has kept in close touch with international, governmental and private agencies concerned with refugee questions, and has advised them and attempted to co-ordinate their work. It has established, in a number of countries, branch offices whose work differs from country to country, depending to a great extent upon the size of the refugee problem in each country and on existing conditions concerning the protection of refugees. Their representations to governments have covered matters such as the determination of refugee status, regularization of residence, expulsion, the exercise of the right to work, public relief, travel documents, authentication of documentation, personal status, public assistance and social security.

Number of Refugees

The report gives the estimated numbers in certain countries of refugees who come within the mandate of the UN High Commissioner's Office, as follows:

REFUGEES BY COUNTRY

Country	Numbers	Remarks
WESTERN EUROPE		
Belgium ...	59,000	
France ...	400,000	
Italy ...	more than 20,000 plus more than 15,000	Registered. Estimated unregistered.
Luxembourg ...	1,500	Excluding children.
Netherlands ...	14,000	Before the war.
Trieste (UK / US Zone) ...	4,000	
United Kingdom ...	260,000	
NORTHERN EUROPE		
Denmark ...	1,150	
Norway ...	2,000	
Sweden ...	45,000	
CENTRAL EUROPE		
Austria ...	228,000	193,000 Volksdeutsche; 30,000 to 35,000 non-German ethnic origin.
WESTERN GERMANY ...		
SOUTH-EASTERN EUROPE		
Greece ...	16,000 to 17,000	
Turkey ...	more than 700	
Yugoslavia ...	4,300	
MIDDLE EAST		
Egypt ...	3,000	
Ethiopia ...	180	Plus 50-60 stateless persons and refugees who went there independently of IRO.
Persia ...	2,000	Approximately; most of whom settled there after the world war of 1914-18.
Jordan ...	not more than 70	
Lebanon ...	not more than 150	
Syria ...	not more than 300	
REFUGEES OF EUROPEAN ORIGIN IN CHINA	15,000	3,400 were registered with IRO, of whom 1,300 are now receiving emergency assistance.

United Kingdom Care of Refugees

The report states that in several Western European countries there has been, since the time of the League of Nations, a continuous tradition of international assistance to refugees, based on a series of inter-governmental agreements. This is so in the United Kingdom where the main function of the branch office is to maintain liaison with the UK Government as well as with some other Commonwealth Governments. The UK Government has continued to show its interest and concern, not only for the refugees within the United Kingdom, but also for the more general aspects of the refugee problem, particularly in Austria, Western Germany, Trieste and China. There are few restrictions on the employment of refugees resident in the United Kingdom, and very little unemployment among them, and they are treated in matters of social welfare in the same manner as British residents.

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Refugees in Trieste

In Trieste, the Allied (UK-US) Military Government, which administers Zone A, has made great efforts to improve the living conditions of the refugees within the means at its disposal. A new centre to accommodate 900 has been constructed, and a new sanatorium for the treatment of tuberculosis cases has been opened. During 1952, due to the combined efforts of the Allied Military Government, the Inter-Governmental Committee for European Migration and the voluntary agencies, 2,000 refugees had been able to emigrate from Trieste.

The Middle East and Far East

The High Commissioner says that the governments of countries in the Middle East, especially of Lebanon, Syria, Jordan and Egypt, are faced with serious problems of their own ethnic refugees. Nevertheless they have given great attention to the problems of the refugees within the mandate of the High Commissioner's Office. Members of the Office have carried out missions to these countries and have drawn the attention of voluntary agencies working for refugees to the problems of refugees in these areas, where a certain number are unlikely, for economic and other reasons, to find employment. These agencies have established branch offices in the Middle East to help refugees who wish to emigrate, and to promote resettlement schemes. A number of refugees have already been enabled to emigrate.

Turning to the Far East, the report states that the Deputy High Commissioner undertook an extensive tour in November 1952 to study the refugee problem in the area. In December 1952 the High Commissioner appointed a representative in the Far East, where a branch office had been previously established in Bangkok, Thailand.

There is, the report goes on, an urgent problem of 15,000 refugees of European origin in China, the majority of whom are living in the area of Harbin. Of this number only about 3,400 have been registered with the IRO, of whom 1,300 are at present receiving emergency assistance.

Germany and European Security

Statement by Mr. Nutting

On 22nd September, at the meeting of the Consultative Assembly of the Council of Europe at Strasbourg, Mr. Anthony Nutting, UK Parliamentary Under-Secretary of State for Foreign Affairs, made a speech, in the course of which he said that the United Kingdom Government stood four-square behind the proposed European Defence Community, and that, when it came into force, UK relations with it would be even closer than with the High Authority of the European Coal and Steel Community [see 21.8.52 2b(42) and 13.11.52 2b(60)]. After pointing out that there had been no evidence of any fundamental changes in Soviet policy since the death of Stalin, he also reviewed the question of German rearmament in the contexts of European collective defence, German reunification and Russia's professed anxieties about her own security. The text of this speech is carried in full in *Appendix II* (roneoed) to this issue of *International Survey*.

The Saar Question

At the meeting in Strasbourg of the Consultative Assembly of the Council of Europe, Mr. Anthony Nutting, UK Parliamentary Under-Secretary of State for Foreign Affairs, in the course of a debate on a draft recommendation on the Saar problem, made a speech welcoming a recommendation made to the Assembly that France and Germany should be encouraged to undertake bilateral negotiations on the question. He also commented on the suggestion, contained in the draft recommendation, that a special conference should be set up early in 1954 to guarantee such agreements as might be reached by France and Germany and to seek a solution of any problems that might still be outstanding. The full text of his speech, together with a brief background note on developments in the Saar since 1945, is carried in *Appendix VI* (roneoed) to this issue of *International Survey*.

North Atlantic Treaty Organization

Broadcasts on BBC European Service

The texts of the broadcasts given on the European Service of the BBC by Admiral Qvistgaard and by General Gruenthal in the series 'NATO As I See It' [see 17.9.53 2a(210)] are carried in full in *Appendices I and II* (roneoed) to this issue of *International Survey*. Texts of the broadcasts by Admiral Nicholl, who introduced the series, and by Lord Ismay, were issued as *Appendices I and II* to *International Survey No. 136*.

Ammunition Production Plan

At its meeting on 23rd September, the North Atlantic Treaty Council reviewed a correlated programme for ammunition production in Europe, which had been prepared by the International Staff working in conjunction with experts nominated by member Governments. The Council recommended the programme to Governments for implementation.

The proposed programme covers ammunition to the value of over \$1,000 million, and will be financed by the producing countries and by offshore procurement under the United States Mutual Security Programme. The recommendations have been framed, in the words of the press release, 'with an eye on the long-term objectives, to encourage production in those areas where it is logically sound to have a nearby source of supply, and, in addition, to develop the production of those types of ammunition which Europe does not at present manufacture in sufficient quantities'. At the same time, account had been taken of the special needs of certain countries to whom the offshore procurement programme for ammunition represented an opportunity of earning dollars to improve their balance of payments situation.

The plan represents by far the largest correlated programme for a single category of military equipment so far prepared by NATO. Other programmes of this type have already been announced for aircraft [see 30.4.52 2a(100)] and for army equipment and ships [see 17.9.53 2a(207)]. The total value of these correlated programmes now considerably exceeds \$2,000 million.

Progress of Airfield Programme

A progress report on the NATO Airfield Construction Programme was given by Lord Ismay, Secretary-General of NATO, on 24th September. Lord Ismay said that, during 1953, new airfields were becoming available for the use of NATO air forces at a rate of rather more than one a week. The approximate figures were 60 airfields available at the end of 1952 and at least 120 to be usable by the end of 1953, so that by the end of 1953 NATO countries would have twice as many airfields available for their defence as they had at the end of 1952. Of the 120 airfields, 90 were financed by NATO nations in combination under the common infrastructure programme, while the 30 airfields located in Western Germany were financed by the United States, France and the United Kingdom. These 120 airfields were in addition to national airfields already available or under construction.

Describing the Airfield Programme as an outstanding example of NATO solidarity and common achievement, Lord Ismay said that it represented a very heavy construction effort on the part of the host countries (i.e. the countries in which the airfields were built). All the airfields were being built to the standards necessary for the operation of modern jet aeroplanes. Examples of items to which these standards, as defined by the military authorities, applied were: runways (2,400 metres or 8,000 feet), parallel taxiways, alert hardstands, dispersals, control towers, hangars, aprons, operational rooms, maintenance shops, fire stations, fuel storage provisions and internal roads. The standards also included minimum essential telecommunications and electronics requirements, navigational aids, etc. These airfields accounted for a major part of the £700 million infrastructure programme, which was initiated at the Ottawa meeting of the North Atlantic Council in 1951 and which had been progressively increased at subsequent Ministerial meetings [see 29.1.53 2a(17), 30.4.53 2a(98) and 14.5.53 2a(114)]. Special committees set up by the Council and the International Staff, which had recruited a number of experts for the purpose, kept a strict control of expenditure and physical progress alike. To achieve economy and accelerate construction, all projects had now been thrown open to NATO-wide competitive international bidding.

Responsibilities of 'Host' Countries

Lord Ismay added that the commonly shared infrastructure costs did not give a complete picture of the total cost of constructing an operational airfield. For example, the host country in each case was called upon to provide also some 1,100 acres of land, water supply, sewage and electric power. In addition, the principle had been followed throughout that each NATO country was financially responsible for the logistic requirements of its own forces. The nations using the airfields were therefore responsible for barracks, hospitals, messes, recreation rooms, chapels, etc., plus utilities beyond the minimum standards agreed by the international military authorities.

Exercise 'Grand Repulse'

Large-scale five-day autumn manoeuvres for the NATO Northern Army group under General Sir Richard Gale, called exercise *Grand Repulse*, began on 19th September and ended on 23rd September. The exercise involved about 60,000 United Kingdom, Dutch, Danish and Canadian soldiers in about 27 battalions of infantry, 15 regiments of artillery and 10 of armour; units of the RAF and of the Royal Netherlands Air Force also took part. Invading forces included a British infantry division and the 3rd Danish Infantry Regiment, which launched an attack between Oldenburg and Bremen. The resisting forces under the command of Lieutenant-General Opsomer, of the Netherlands Army, included the 1st Netherlands Corps, which is already furnished with US equipment and will have British *Centurions* fitted with American wireless sets, the British 11th Armoured Division and the 27th Canadian Infantry Brigade group. The exercise was a joint land and air exercise and was designed to test how far the Northern Army group had advanced in training, tactics and equipment and in inter-allied co-operation under field conditions. It was emphasized by General Gale at a press conference that, though the exercise was not a study of atomic warfare in any special sense, it was essential for both troops and commands to be so conscious of the need for dispersal that they did not offer the enemy worth-while targets.

At a press conference at the conclusion of the exercise on 24th September, General Sir Richard Gale said that the two apparently conflicting aims, of dispersal, to deprive the enemy of a worth-while atomic target, and concentration in order to win a battle, could be reconciled, and that exercise *Grand Repulse* had helped commanders to relate them in a practical way. 'The flexibility', he said, 'of modern artillery, armour, wireless and transport, and above all the flexibility of air power, will enable us to attain concentration of effort without undue and dangerous concentration of men and material.' Referring to the British Armoured Division under Netherlands command, General Gale said that, for the first time, a large unit of one nation had been placed under the command of another and that technically the co-ordination had been completely successful on both command and staff levels. The final stages of the exercise were watched by General Gruenthal, Supreme Allied Commander Europe, Lord Ismay, Secretary-General of NATO, Marshal Juin, C-in-C, Allied Forces Central Europe, and other NATO commanders and officials.

US-Spanish Agreements

Development of Defence Facilities

The US State Department issued a statement on 26th September announcing the conclusion of three agreements with Spain 'designed to strengthen the capabilities of the West for the maintenance of international peace and security' and covering: (1) the construction and use of military facilities in Spain by the United States; (2) economic assistance to Spain; and (3) 'military end-item assistance'.

The agreements are the result of negotiations which opened in April 1952 after an exploratory conversation between the late Admiral Forrest Sherman and General Franco in July 1951, and preliminary economic and military surveys.

Under the terms of the agreement, the United States is authorized to develop, build and use jointly with Spanish forces certain military airfields and naval facilities in Spain, and Spain becomes eligible for US economic, technical and military assistance under the Mutual Security Programme [see 6.8.53 1a(66)].

To facilitate the carrying out of the agreement, a US military assistance group to co-ordinate the military assistance programme with the Spanish authorities, and an operations mission in connection with the economic and technical assistance, are being set up in Spain.

Military Provisions

Under the terms of these agreements the United States will start construction to develop certain Spanish military airfields for joint use by the Spanish and US air forces and will modernize certain naval facilities for use by the Spanish and US Navies. Provision is made for the subsequent development of additional military facilities as future conditions may require. The military areas are to remain under Spanish sovereignty and command, the US Command in each case being responsible for US military and technical personnel and for the operational effectiveness of US military facilities and equipment.

Financial Provisions

\$226 million is to be furnished to Spain during the fiscal year of 1954. It will consist of \$125 million for economic, technical and military aid to Spain appropriated in 1951 and 1952 and now carried over by Congress, and \$101 million included in the funds recently appropriated by Congress to carry on the mutual security programme during the fiscal year ending 30th June 1954. Of this amount \$85 million is for defence support assistance and \$141 million is for military end-item assistance.

Of the \$125 million carried over from previous appropriations, \$50 million is to be expended on 'military end-items' to provide training equipment and military materials, and the balance of \$75 million is for defence support assistance 'to strengthen the economic foundation for the support of the programme of military co-operation'. Of the \$101 million for the current fiscal year, \$91 million is for 'military end-item assistance' to Spain and the balance for defence support assistance. A portion of the peseta counterpart funds¹ will be devoted to defraying construction costs payable in Spanish currency.

¹Counterpart funds in their own currencies are required to be set aside by all countries receiving US dollar aid on a grant basis.

OEEC Conference on Transport

From 18th March to 17th June a European Inland Transport Conference was held under the aegis of the Organization for European Economic Co-operation (OEEC) to study the existing organization and regulation of international inland transport in Europe, and see whether they are adequate to make the best use of the existing transport system and for its rational development. All the members of OEEC were represented except the Irish Republic and Iceland; Spain and Yugoslavia participated and the United States sent observers. After discussing the report of this conference the Council of OEEC recommended that a European Conference of Ministers of Transport should be established, and that the member countries which had been represented at the Inland Transport Conference should participate in the Constituent Conference. At the invitation of M. Segers, the Belgian Minister of Communications, this Constituent Conference will take place in Brussels from 12th to 17th October 1953.

Mr. Lennox-Boyd, UK Minister of Transport and Civil Aviation, will lead the United Kingdom delegation for the first part of the conference. The Earl of Selkirk will lead for the second part.

Greek Earthquake Relief *UK and NATO Contributions*

The UK Ambassador in Athens, Sir Charles Peake, handed to the Greek Minister of Economic Co-ordination, M. Markezinis, on 17th September, a letter intimating that the UK Government had made a grant of £250,000 in goods and materials to assist in the rehabilitation of the Ionian Islands which recently suffered from severe earthquakes. The grant is in addition to sums amounting to between £250,000 and £300,000 already spent by the UK Government on immediate relief in the Islands [see 20.8.53 2a(189)]. The Public Appeal Fund in the United Kingdom has reached a total of £65,000 and other private subscriptions amount to about £35,000.

The Ambassador announced, at the same time, a gift from the New Zealand Government of 500,000 feet of timber for housebuilding.

Contributions from NATO Countries

On 23rd September the North Atlantic Council, at its meeting in Paris, adopted a resolution calling on member countries to follow up their initial emergency relief by contributing, to the best of their ability, to the efforts the Greek Government was making for the reconstruction and rehabilitation of the islands.

The North Atlantic Treaty Information Service has announced that a total of more than £2,000,000 (\$6,000,000) has already been given or pledged in money and materials. This figure includes the UK contribution (see above), and also Canadian aid which has been promised to the amount of \$500,000, half of which is to be used for food supplies, the other half being used to buy construction materials in Canada for shipment to Greece.

An account of the work done by the British Services in rendering immediate assistance in the disaster, and of other Commonwealth aid, will be found in 20.8.53 2a(189).

Anglo-Norwegian Trust Fund

It was announced on 23rd September that an Anglo-Norwegian Trust Fund of £25,000 had been created, the income from which would be devoted to a variety of Anglo-Norwegian charitable purposes supplementary to those covered by existing arrangements.

At the time of the flood disaster on the east coast of Britain at the beginning of 1953, Norway supplied large numbers of sandbags to the United Kingdom for which the UK Government later offered to pay the cost, amounting to £14,000. The Norwegian Red Cross, who had themselves paid the firms in Norway which supplied the sandbags, proposed that this money should be used to create a special Trust Fund and offered to add to the £14,000 a further £11,000 from the funds collected by them for the benefit of those who suffered as a result of the floods. This offer was accepted; and the Acting Secretary of State for Foreign Affairs, Lord Salisbury, sent a message of appreciation to the President of the Norwegian Red Cross on 23rd September in which he said: 'This warmhearted gesture on the part of your society is yet another example of the closeness of the ties which link the British and Norwegian peoples.'

Particulars of the Trust are to be made public later.

Anglo-Italian Friendship

UK Ex-Prisoners' Contribution to 'Boys' Town'

Lord Mancrost, representing Field-Marshal Lord Alexander, the president of the committee of former British prisoners of war in Italy, attended, on 27th September, a ceremony to mark the handing over to the president of the 'boys' town' at Modena of a new club building, erected out of a fund of £8,000 raised by former prisoners with a contribution of £2,250 from the UK Government. The building, said Lord Mancrost, expressed the gratitude of thousands of former British prisoners to the Italian civilians who helped, at the risk of their lives, to hide them from the German and Fascist authorities after the 1943 armistice.

The new building is to be dedicated to the memory of Don Elio Monari, a young priest who was shot in 1944 for the help he had given to escaping Allied prisoners. The establishment of a 'boys' town' had been planned by Don Monari before his death, and preliminary plans for the 'Boys' Town, Modena' were prepared in 1946, the first house being completed in 1951. The community is open to all boys between the ages of six and sixteen and is completely self-governing, living by laws passed by the boys' parliament and enforced by their own police. There are facilities for educational and technical training and for sports and amusements, and it is hoped that eventually about 1,200 boys will be accommodated. The project is supported entirely by voluntary contributions, and the appeal for funds for the Don Monari house was launched in the United Kingdom by Lord Alexander in 1951.

The Anglo-Persian Oil Question

Persian Government Statement

A statement on the position of the oil industry in Persia was broadcast over Tehran radio by the Persian Government on 29th September.

The statement said that it would be impossible to carry on work on national reforms in Persia without a solution of the oil problem. Reviewing the situation of the 'National Iranian Oil Company' (NIOC), which had been established by Dr. Mussadiq's Government in June 1951 to take over the oil industry, the statement said that the NIOC had so far produced only 135,000 tons of oil, of which 120,000 had been taken by foreign buyers and 12,000 tons sold for bunkers. The nationalized oil industry's total income since May 1951 was about £664,000, and it was losing £1,330,000 a month. The total indebtedness was now 2,838 million rials (about £31.5 million).

Estimated Cost of Rehabilitation

Discussing the future, the Persian Government stated that not only had the industry a lot of worn-out rail and road equipment, but, at Abadan power station, some turbines were overdue for examination by experts. This examination must be done by engineers of the firms which built the machines¹.

Once the oil problem was solved, Persia would have to spend between £10,700,000 and £14,300,000 and would have to employ about 600 technicians if it wanted the Abadan refinery to revert to its output before nationalization. 'At the moment,' the statement declared, 'by engaging about 30 technicians and spending about £2,140,000 on spare parts, Persian workers would be able to produce about 9 million tons of crude oil and between 4 and 6 million tons of refined oil. But it is certain that reducing the rate of production to this figure would cause the unemployment of a number of workers.'

The Government spokesman, Mr. Abadi, concluded by saying: 'This is a summary of the situation of the National Iranian Oil Company. Now you know what was bequeathed to us by the former [Mussadiq] Government. Naturally, you and we are deeply concerned over the situation. While appreciating the pure and valuable sentiments of the brave Iranian nation, which has made all kinds of sacrifices to maintain its rights, the Government hopes to take efficient steps towards exploiting this resource, which is the main source of income of the Iranian nation' [see below].

BACKGROUND

Almost all Persia's proven natural oil resources lie in the South Persian oilfields. After seven years of fruitless exploration, a company formed by a British subject, W. K. d'Arcy, struck oil in South Persia in 1908. His concession from the Persian Government was taken over by the Anglo-Persian Oil Company (later renamed the Anglo-Iranian Oil Company (AIOC), and in 1913 the Abadan refinery started operations.

A new 60-year concession with revised terms (which gave the Persian Government increased royalty-payments, together with an interest in the AIOC's world-wide operations) was concluded in 1933. A Supplemental Agreement which would have considerably increased the royalty-

¹Most of the plant in Abadan power station is of British origin.

payments was concluded in 1949 but was later rejected by the Persian Majlis and thus never came into effect.

In the spring of 1951 the National Front Party, led by Dr. Mussadiq, assumed power and on 20th March and 30th April two Persian laws were passed nationalizing the Persian oil resources and laying down nine points to enforce this policy. A National Iranian Oil Company was formed shortly afterwards. The effect of these laws was the expropriation by the Persian Government of the AIOC concession and properties in direct contradiction of the terms of the 1933 concession agreement.

Repeated efforts both by the AIOC and by the British Government, acting on behalf of the Company, which is a British national, to reach agreement with Dr. Mussadiq on a solution to the dispute having failed, the AIOC was forced by Persian pressure during the summer of 1951 gradually to close down operations at Abadan and in the oilfields, and finally, to withdraw its remaining staff from Abadan in October 1951.

Since then, the AIOC has continued to maintain its legal rights, while the UK Government both separately, and with the aid of the good offices of the US Government, has consistently sought Persian agreement to an equitable solution of the dispute. No agreement was reached, however, with the Mussadiq Government, which remained in office until August 1953 [see 29.8.53 2b(57)].

In the last full year of operations (1950) the total royalties paid by the AIOC to Persia were about £16 million, and a further £16.5 million would have been paid had the Supplemental Agreement of 1949 become effective. The AIOC exported 54 million tons of oil from Persia between July 1949 and June 1951.

A fuller background to this question will be found in Reference Paper R.2237 of 8.10.51, THE ANGLO-PERSIAN OIL DISPUTE.

The United Nations and Korea

On 22nd September, the UN General Assembly, both in plenary session and in committee, rejected Soviet proposals for an immediate discussion of the composition and procedure of the projected Korean political conference [see 20.8.53 2c(78)], a question which had been dealt with by the seventh session of the General Assembly on 28th August [see 3.9.53 2c(84-86)]. Additional proposals designed to facilitate agreement on the political conference were transmitted on behalf of the United Nations Command to the Chinese People's Government and the North Korean authorities on 23rd September.

The Korean Political Conference

Following the Chinese and North Korean messages to the General Assembly on 13th and 14th September, making new proposals for the composition of the political conference [see 17.9.53 2c(88)], a second message was sent to China and North Korea (via the Swedish Government) on 18th September by the US Government acting on behalf of the 16 nations with troops serving under the UN Command in Korea. This message asked the Chinese People's Government and the North Korean authorities for 'an early reply' to the UN message of 3rd September [see 3.9.53 2c(86)], 'since it is essential that preparations for the conference should start immediately'.

Soviet Proposal for Renewed UN Discussions Rejected

The General (steering) Committee of the General Assembly met on 22nd September to consider a Soviet recommendation that there should be included in the Assembly's agenda an additional item—the report of the UN Secretary-General on his communication to China and North Korea of the Assembly's resolutions of 28th August on the Korean political conference and their replies.

New US Proposals

Senator Cabot Lodge (US) opposed the inclusion of the Soviet item, pointing out that the Assembly had made its decision on the question of participation less than three weeks before. No direct reply had been received to the US Government's communication of 3rd September on a time and place for the conference. If all aspects of the conference were to be fully debated in the Assembly, there might never be a conference. He then made two suggestions:

- (1) that any outstanding questions should be dealt with by the conference itself. Thus nothing need prevent one or other side which wished for the participation of additional members from raising the question at the conference;
- (2) that the United States should at once dispatch a representative to meet Chinese and North Korean representatives at one of the places suggested for the conference in order to make arrangements for its meeting.

UK and Iraqi Views

Mr. Selwyn Lloyd (UK) also opposed inclusion of the new item and declared that it was a matter of greater urgency to set up a conference

[Over]

than to have another UN debate on composition and other issues. There were, he said, three objections to the Soviet item: that this was not an appropriate moment for a debate, that the UN Secretary-General's report was only an interim one, and that there was already an item on the Korean question in the Assembly's agenda. The two valuable suggestions by the US representative should also be taken into account.

Awni Khalidy (Iraq), speaking for the Arab-Asian group in the Assembly, also opposed inclusion of the item on similar grounds. He said that, whilst approving the principle that member States should be able to bring to the Assembly problems which they thought were of importance, it could not be denied that the Assembly had only just taken a decision on the matter.

The Soviet recommendation was rejected in the General Committee by 11 votes against, 2 for (USSR and Poland) and 1 abstention (Yugoslavia). When the proposal was again raised on the same day by M. Vyshinsky (USSR) in the plenary session of the General Assembly (on the General Committee's report) the General Committee's decision to reject it was upheld by 40 votes to 8 with 10 abstentions.

Political Committee Rejects Immediate Korean Debate

When the Political (First) Committee of the UN General Assembly met on 30th September to decide the order of the items on its agenda, the Colombian representative proposed that the Korean question should be placed at the bottom of the agenda. He said that there would be no point in debating 'this over-discussed question' before 28th October, the scheduled date of the political conference.

M. Vyshinsky (USSR) at once protested at delaying the debate on Korea. He recalled the Chinese and North Korea counter-proposals of 13th and 14th September on the composition of the conference, which, he said, were 'likely to yield favourable results'. M. Vyshinsky also rejected the proposal put forward by Senator Cabot Lodge on 22nd September [see above] that the conference should meet and decide the question of its own composition. He very much doubted whether such a solution would solve the question of the participation of neutral nations.

The Australian representative, Sir Percy Spender, moved that the Colombian draft proposal be amended so that 'the Korean question can be taken up at any time if a simple majority present and voting so desires'.

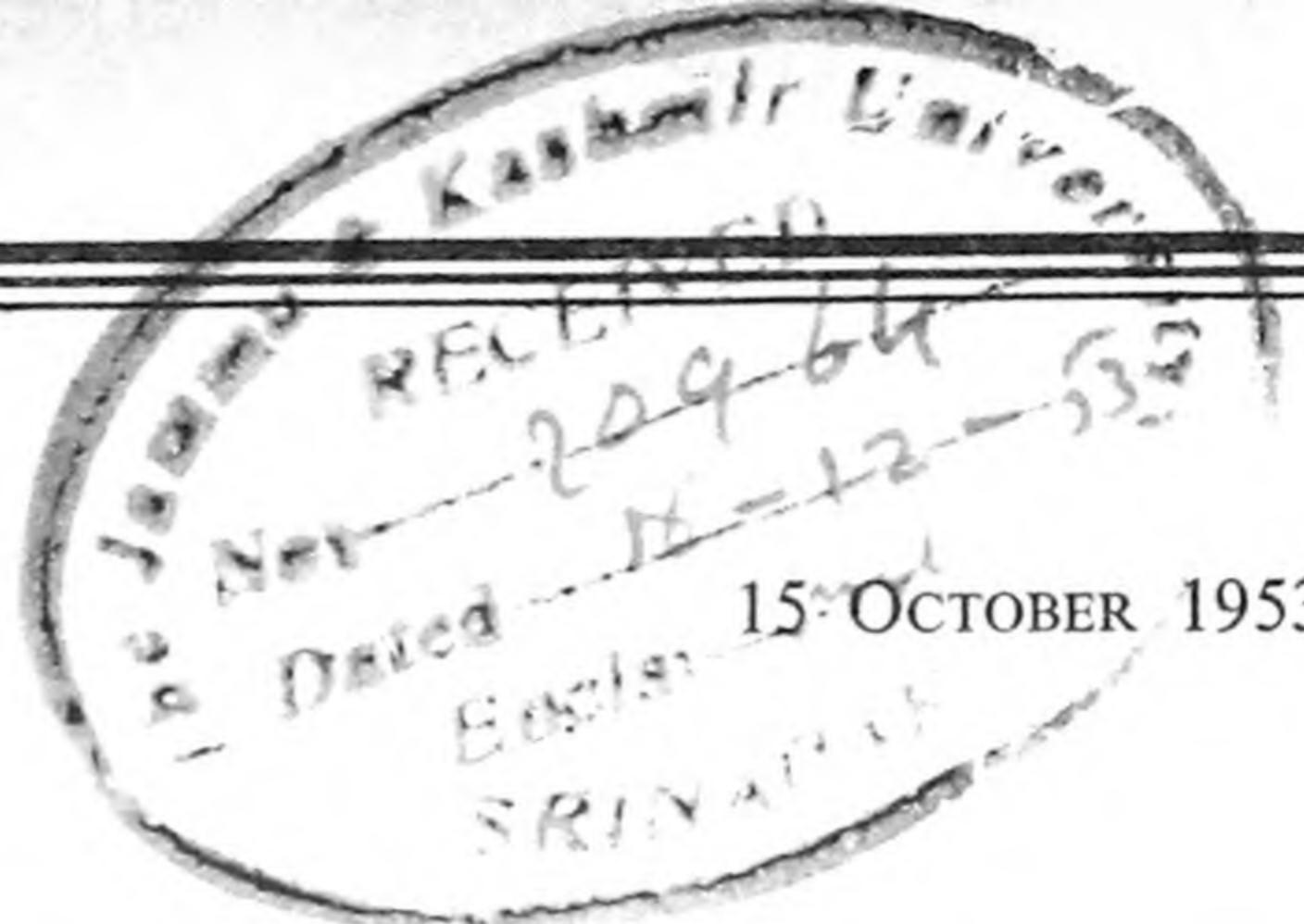
The Political Committee agreed, by 48 votes to 6 with 5 abstentions, to postpone its consideration of the Korean question, and accepted the Australian amendment by 49 votes to 7 with 4 abstentions.

Third UN Message to China and North Korea

On 23rd September the US Government, acting on behalf of the nations with forces serving under the UN Command in Korea, sent a further message to the Chinese People's Government and the North Korean Authorities. The message stated that arrangements necessary to ensure the convening of the conference could be dealt with between the three States, 'the conference itself, when it convenes, can deal with any matters not otherwise disposed of to the satisfaction of both sides'. If developments during the conference warranted it, the question of additional participants could be raised by the other side.

The message also offered to send a representative to meet the Chinese and North Korean representatives at Honolulu, San Francisco or Geneva, to discuss arrangements for the conference.

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*Editorial inquiries should be addressed to the Editor, Room 1114, Central Office of Information, Norgeby House, Baker Street, London, W.1.
Telephone: Welbeck 4420, Extension 289*

*Distribution inquiries should be addressed to Room 1121 at the same address.
Telephone: Welbeck 4420, Extension 243*

Economic Factors in International Relations

Speech by Sir Roger Makins

The text of a speech at Los Angeles on 5th October by Sir Robert Makins, UK Ambassador to the United States, has been issued as *Appendix IV* to this issue of *International Survey*. Sir Roger made these points:

1. The broad aims of freer currencies, freer trade and international co-operation to keep trade and employment at a high level remained at the forefront of both UK and US policy.
2. The most serious economic problem of the free world was still the 'dollar gap'.
3. Britain was spending on defence approximately the same proportion of its national income as the United States. It was producing half the military equipment of Western Europe. But the claims of defence against the requirements of economic stability and growth had to be carefully weighed.
4. Britain was entirely in sympathy with the economic purpose of the Schuman Plan. It was unable to subscribe to the federal objective because of its close ties with the members of the Commonwealth, its world position and the fact that 75 per cent of its total trade was outside Western Europe.
5. The rapid economic development of underdeveloped countries called for more foreign investment on a wider front, measures in those countries to attract investment, and more technical assistance. The Colombo Plan was one means to these ends.
6. East-west trade in non-strategic items, which, it was agreed, was not injurious to the allied cause, (a) benefitted the West as well as the East, (b) helped to lessen the serious unbalance in the Western World's economy, and (c) helped to prevent Russia and China being driven too closely together.
7. If a proper relationship between the dollar and the pound sterling could be brought about, it would mean a great step forward to economic stability.

US Foreign Operations Administration

Mutual Security Agency Abolished

With effect from 1st August 1953, the foreign assistance and related economic operations of the United States Government have been regrouped within a single agency, the Foreign Operation Administration (FOA). It takes over the functions of the Mutual Security Agency, which is abolished.

The change is described in the US President's 'Report on the Mutual Security Programme for the Six Months Ended 30th June 1953', transmitted to Congress on 17th August, as follows:

'It was evident to the Administration that the organizational and administrative structure through which the Mutual Security Programme had been operated needed thorough revision. Organizational arrangements for the conduct of foreign affairs had been built upon numerous separate statutes. This resulted in a scattering of programmes within the executive branch. The new Administration found considerable duplication and conflict of responsibilities and powers in existing activities aimed at providing military, economic, and technical assistance to foreign countries. Therefore, it was essential to take steps to tighten lines of responsibility, prevent duplication, and promote operating efficiency.'

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'On 1st June, by executive order, the President transferred to the jurisdiction of the Director for Mutual Security the operating responsibilities for certain United States technical assistance programmes, formerly vested in the Secretary of State. The Director also assumed operating functions with respect to United States participation in international programmes of technical assistance, relief and rehabilitation, and refugees.

'Simultaneously, the President announced a plan for reorganizing the departments of the United States Government concerned with the conduct of its affairs overseas. The plan reaffirmed the historic responsibility of the Department of State as the agency responsible for the development and control of foreign policy and relations with foreign governments. It also reasserted the responsibility of the Chief of Diplomatic Mission for providing effective co-ordination of, and policy direction with respect to, all United States Government activities in a foreign country. This reorganization plan became effective on 1st August 1953.

'The new organization regroups foreign assistance and related economic operations within a single agency, the Foreign Operations Administration. The Office of the Director for Mutual Security and the Mutual Security Agency are abolished, and the functions transferred to the FOA. The Office of the United States Representative in Europe is also abolished. A new United States mission (the United States Mission to NATO and European Regional Organizations) is established. The chief of the mission reports to and receives instructions from the Secretary of State. Representatives of the Secretary of Defence, the Secretary of the Treasury, and the Director of the FOA are included in this mission.

'This reorganization measure has been designed to achieve more unified direction and integrated operation of foreign assistance programmes, as well as substantial economies and greater efficiency of operation.'

UK Party Conferences

Labour and Conservative Leaders on Foreign Affairs

On 1st October, at the Labour Party Conference, Mr. Attlee, Leader of the Opposition, spoke to a resolution on foreign and Commonwealth affairs which was carried unanimously.

The Conservative Party Conference also adopted unanimously a resolution on foreign affairs, and statements were made by Lord Salisbury, Acting Secretary of State for Foreign Affairs, Mr. Eden, Secretary of State for Foreign Affairs, and Sir Winston Churchill, the UK Prime Minister.

The speakers, besides formulating in general terms the policy of their parties, dealt with some particular aspects of foreign affairs, such as East-West relations, the United Nations, Western defence, Germany and Europe, the situation in the Far East, and Anglo-Egyptian relations.

Points from the resolutions and speeches are summarized in *Appendix I* (roneoed) to this survey.

A general account of the Labour and Conservative Party Conferences will be found in *Home Affairs Survey* 13.10.53 1g(16) and 27.10.53 1g(24), respectively.

UK Reception of Refugees

700 Displaced Persons to be Admitted

The UK Government has decided to admit 700 refugees from Germany, Austria and Trieste. This decision is in accordance with the traditional policy of the United Kingdom, in which, according to a recent report of the UK High Commissioner for Refugees [see 1.10.53 1e(70)], some 260,000 refugees live, subject to few restrictions and enjoying the same social welfare benefits as UK citizens.

In May 1950, it was decided to admit to the United Kingdom up to 2,000 displaced persons and refugees in the care of the International Refugee Organization, but less than this number arrived. It has now been decided to admit the remainder of up to 700 persons by selection from refugees now within the mandate of the United Nations High Commissioner for Refugees in Germany, Austria and Trieste, for whom continuing guarantees of accommodation and maintenance in the United Kingdom can be provided by voluntary organizations, or by private persons, including persons who were themselves admitted to the United Kingdom as refugees.

The Czech Refugee Trust Fund and the British Council for Aid to Refugees have agreed to assist the UK Home Office in the administration of the scheme, with which the United Nations High Commissioner for Refugees will be associated.

Detention of Polish Primate

Archbishop of Canterbury on Religious Persecution

On 28th September the Polish Government announced that the Polish Primate, Cardinal Wyszynski, had been forbidden to exercise his ecclesiastical functions, 'due to persistent abuse . . . in spite of repeated warning, of his ecclesiastical function, to violate the principles of the agreement, to conduct rebellious activity and to foster an atmosphere of irritation conducive, as was revealed by the trial of Bishop Kaczmarek¹, to a hostile activity which is particularly harmful in view of the attempts against the inviolability of the frontiers of the Polish People's Republic . . .' Later it was announced that he was to be sent to a monastery. Earlier, press reports had stated that on the evening of 26th September armed police had surrounded the Cardinal's house, searched it for the greater part of the night, and taken the Cardinal away under escort the following morning.

Statement by the Archbishop of Canterbury

On 30th September the Archbishop of Canterbury issued the following statement:

'The news that Cardinal Wyszynski has been "removed from his posts" and confined to a monastery is the latest of the many wounds inflicted

¹Bishop Kaczmarek of Kielce was tried with other priests before the Warsaw District Military Court on 14th September on charges of subversion, espionage, propaganda hostile to the régime, and opposition to 'the Odra-Nysa frontier' [the present *de facto* Polish frontier with Eastern Germany]. He was sentenced to twelve years imprisonment.

upon Christian Churches by Communist governments. Christians everywhere will be grieved and distressed that the arbitrary power of an atheist Government should thus attempt to stifle and disrupt the life of the national Church of Poland. All lovers of freedom will be shocked to see this fresh denial of the rights of open charge and fair trial which are a part of a civilized order of society.

'This action is the climax of attacks which the Polish Government has been making for a long time past. Wherever the Christian Church exists, it is or ought to be, by virtue of its faith in God, the defender of the true liberties and religious freedoms which are part of God's gift to men. It has not always been alert to its duty; it is not always wise in doing it. There is always liable to be friction between the proper rights of the State and the proper duty of the Church. But in these days, and in many parts of the world, the State is claiming for Caesar things which belong not to it but to God; and men are being deprived of their true liberties and Christians are being persecuted for their faith. The prayers of all Christians in Britain will go out to all who thus suffer, and particularly at this moment to the Cardinal and his faithful people in their hour of trial.'

Vatican Decree of Excommunication

On 1st October the Vatican issued a decree stating that all those who recently raised sacrilegious hands against the most eminent Cardinal of the Holy Roman Church, Stephen Wyszynski, Archbishop of Gniezno and Warsaw, to prevent him from exercising his ecclesiastical jurisdiction, were declared to have incurred excommunication, reserved in a special way to the Holy See. Excommunication imposed in this manner by the Vatican cannot be removed except by the Vatican.

Documentation of religious persecution by some other Communist régimes will be found in RF.P.2556 (I. 1d) of February 1953, HUMAN RIGHTS IN BULGARIA, HUNGARY AND ROUMANIA.

International Materials Conference

Last Commodity Committee Ends Activities

The last of the commodity committees of the International Materials Conference, the manganese-nickel-cobalt committee, which met for the first time on 12th March 1951, announced that it would end its activities on 30th September 1953. This announcement followed a recent decision not to recommend a plan of distribution for nickel for the fourth quarter of 1953.

During its existence the committee recommended to governments eight quarterly allocations plans for nickel, covering the period 1st October 1951 to 30th September 1953. Distribution of cobalt in the free world was governed by similar arrangements during the period 1st October 1951 to 31st December 1952. No allocation was ever recommended for manganese, since supplies of this material were found to be adequate.

The following countries were represented on the committee: Belgium, (for Benelux), Brazil, Canada, Cuba, France, the German Federal Republic, India, Italy, Japan, Norway, Sweden, the Union of South Africa, the United Kingdom and the United States.

Trieste

Joint Statement by UK and US Governments

On 8th October a statement regarding the Free Territory of Trieste was issued in London and Washington and copies of the announcement were communicated to the Italian and Yugoslav Governments. The text of the statement was as follows:

'The Governments of the United States and United Kingdom have viewed with great concern the recent deterioration in the relations between Italy and Yugoslavia which has resulted from the dispute over the future of the Free Territory of Trieste.

'Since the conclusion of the second world war, the two Governments have jointly exercised the administration of Zone A of the territory under the terms of the Italian peace treaty. Similarly, the Yugoslav Government have continued to be responsible for the administration of Zone B. These responsibilities were to be purely temporary and it was never envisaged that they should become permanent. For reasons that are well known, it proved impossible to reach agreement with the other signatories of the peace treaty for setting up the permanent régime for the free territory provided for in the treaty.

'The Governments of the United States and United Kingdom, who were thus faced with a situation not contemplated in the treaty, subsequently employed their good offices on frequent occasions in the hope of promoting a settlement by conciliation between Italy and Yugoslavia. Unfortunately it was not possible to find a solution acceptable to both sides. Moreover the recent proposals put forward by Italy and Yugoslavia have been reciprocally rejected.

'In these circumstances, the two governments see no alternative but to bring the present unsatisfactory situation to an end. They are no longer prepared to maintain responsibility for the administration of Zone A. They have therefore decided to terminate Allied Military Government, to withdraw their troops, and, having in mind the predominantly Italian character of Zone A, to relinquish the administration of that zone to the Italian Government. The two governments expect that the measures being taken will lead to a final peaceful solution.

'It is the firm belief of the two governments that this step will contribute to the stabilization of a situation which has disturbed Italo-Yugoslav relations during recent years. They trust that it will provide the basis for friendly and fruitful co-operation between Italy and Yugoslavia, which is as important to the security of Western Europe as it is to the interests of the two countries concerned.

'The withdrawal of troops and the simultaneous transfer of administrative authority will take place at the earliest practicable date, which will be announced in due course.'

Italian Reply

Italy's decision to accept the task of administering Zone A was communicated to the UK and US Ambassadors in Rome by the Italian Prime Minister, Signor Pella, on 10th October. Signor Pella said, at the same time, that Italy considered that the new arrangement constituted an application of the three-Power Declaration of 1948 and that it would not prejudice the future settlement of Italy's claims to Trieste. He

[Over]

reaffirmed that his Government believed a plebiscite to be the most suitable method of reaching a just and final solution of the problem, but did not exclude other courses, including direct negotiations between Italy and Yugoslavia.

Yugoslav Statements

The Yugoslav Government addressed a Note to the Governments of the United Kingdom and the United States on 9th October, in which it protested against the decision of the two Governments and declared that it was 'under no circumstances prepared to agree with the situation created in Zone A'; nor was it 'prepared to renounce the justified Yugoslav claims to this territory', and it therefore demanded 'that the above-mentioned decision should not be carried out'.

The Yugoslav Note claimed that the handing over of the administration of Zone A to Italy would constitute 'a unilateral violation' of the Italian peace treaty of 1947. It would also, the Note continued, be unjust, since it would entail handing over a territory where there lived, according to the 1950 estimates of the Allied Military Administration, besides 239,000 Italian-speaking people, 63,000 Slovenes and Croats. Moreover, no guarantee of the rights of the latter as a minority had been offered. Economically, also, the decision was unjust since Trieste would be cut off from its natural hinterland and they would both, as a consequence, suffer substantial economic damage.

The handing over of Zone A was 'dangerous, as well'. It represented 'a unilateral act in the sense of a partial implementation of the three-Power declaration which the Yugoslav Government has never, nor will ever, agree to'. This act represented a concession to 'Italian tendencies for territorial expansion which . . . have been growing ever stronger, especially towards Yugoslavia and the Balkans', and gave to Italy 'a bridgehead on the Yugoslav shore of the Adriatic'.

For these reasons, the Note continued, the transfer of Zone A to Italy aroused 'the deepest concern of the Yugoslav peoples' and would lead not to its proclaimed aim, the calming and normalization of the relations between Italy and Yugoslavia, but to greater tension between the two countries. Yugoslavia could not bear the historical responsibility for such consequences, and the Yugoslav Government retained the right 'to use appropriate means—on the basis of the United Nations Charter—to protect the interests of Yugoslavia in the area of Trieste'.

Marshal Tito, the President of Yugoslavia, referred to the Anglo-American decision on Trieste in the course of a speech at Skoplje on 11th October. Yugoslavia, he said, would oppose any Italian influence in the Balkans. It would watch carefully what the Italians did in Zone A, and, as soon as they entered it, Yugoslavia would do the same. He wished to find a solution in Trieste which did not sacrifice Yugoslav interests. Yugoslavia was ready to sacrifice Western aid if accepting it meant renouncing what belonged to Yugoslavia.

Yugoslav Proposal for Four-Power Talks

Further Notes were handed to the representatives of the UK, US and Italian Governments by Yugoslavia on 12th October which reiterated the Yugoslav objections to the Anglo-US decision to hand over the administration of Zone A, and proposed that a four-Power conference should be held to discuss the problem. It was stated that a conference would be of no use if, in the meantime, the Anglo-US decision were to be put into effect.

A memorandum announcing the proposal for a four-Power conference and dealing with the history of the Trieste issue in some detail was at the same time sent to the Secretary-General of the United Nations for circulation to all members.

Italian Proposals for a Conference

Signor Pella, commenting on the Yugoslav proposals for a four-Power conference on Trieste in an interview on 14th October, said that Italy had itself, on 13th September, proposed such a conference for the purpose of preparing a plebiscite for the whole of the Trieste territory. Italy was also prepared to accept a proposal for a five-Power conference, which would include France, with a wider aim, but only on condition that equilibrium had previously been established between Italy and Yugoslavia in Trieste. This equilibrium, said Signor Pella, could be achieved either by the handing over to Italy of the administration of Zone A, as proposed on 8th October, or by the total evacuation of Yugoslav troops from Zone B.

Soviet Notes Delivered

Identical Notes were delivered to the UK and US Embassies in Moscow on 12th October in which the Soviet Government protested against the Anglo-US decision on Trieste. The UK and US Governments 'did not fulfil the obligations which they assumed relating to the creation of the free territory of Trieste', it was stated, and the recent decision to hand over the administration of Zone A was 'a new violation' of the peace treaty with Italy which 'inevitably will lead to increasing friction in the relations between States', and especially between those bordering on Trieste.

Yugoslav Comment on Soviet Intervention

M. Pijade, a Vice-President of the Yugoslav Federal Executive Council, commented on the Soviet Notes in a statement on Trieste published in *Politika* on 15th October. The Soviet Government, said M. Pijade, had never ceased intervening in the Trieste question, but any current similarity between the Soviet and Yugoslav attitudes was only 'accidental and apparent'. The Soviet Government was pursuing only its own interests and cared no more for Yugoslav interests today than it did in 1948 when the conflict between Moscow and Belgrade came into the open. The latest Soviet moves were in the interests neither of Yugoslavia nor of the people of Trieste.

Consideration by UN Security Council

The Soviet representative to the United Nations, M. Vyshinsky, sent a letter to the president of the UN Security Council, on 13th October, requesting the Council to proceed with the appointment of a Governor of the free territory, to implement other clauses of the Italian peace treaty providing for the institution of a provisional régime in Trieste pending the introduction of a permanent statute, and to institute a permanent statute within three months of the appointment of the Governor. This request was to be considered by the Council at a meeting on 15th October.

During the Party conferences held in October by the UK Conservative and Labour Parties, statements were made and resolutions adopted on policy towards Germany and Austria. For a summarized account see APPENDIX I (roneoed) to INTERNATIONAL SURVEY, No. 138.

North Atlantic Treaty Organization

Exercise 'Mariner'

The NATO maritime exercise *Mariner*, the first exercise to be sponsored jointly by the three principal area commands of NATO, the Atlantic, European and Channel Commands [see 6.8.53 2a(174)], took place between 16th September and 4th October. Some 300 ships and 1,000 aircraft took part in the operations and the 500,000 servicemen concerned came from nine NATO countries: Belgium, Canada, Denmark, France, the Netherlands, Norway, Portugal, the United Kingdom and the United States. The exercise was designed primarily as a test of the protection of sea lines of communication and naval control of shipping in the North Sea, Channel and Atlantic, together with the operation of a striking fleet in the Atlantic, and the fullest possible opportunities were given for co-ordinated training of the forces of the nine countries taking part. A number of vessels of the major shipping lines, including the *Queen Mary* and the *United States*, co-operated with the NATO forces. The exercise was directed by Admiral Lynde D. McCormick, USN, Supreme Allied Commander Atlantic (SACLANT), General Alfred M. Gruenthal, Supreme Allied Commander Europe (SACEUR), Admiral Sir John Edelsten RN, Commander-in-Chief Channel (CINCHAN) and Air Marshal Sir Alick Stevens RAF, Allied Maritime Air Commander-in-Chief Channel (CINCMAIRCHAN).

First Phase in Northern Waters

The first phase of the exercise took place in northern waters, where naval units, sailing from ports in the United Kingdom, Canada and the United States, joined in various tactical manoeuvres and training exercises. Air strikes against land and sea targets were carried out and surface vessels undertook shore bombardment practice. Exercises in convoy coverage and against submarines and long-range aircraft took place, the whole operation being designed as a test of control procedures and operational techniques.

Among the forces engaged in this phase of the exercise were the aircraft carriers *Eagle* and *Illustrious* (UK), *Magnificent* (Canada) and *Wasp*, *Bennington* and *Siboney* (US). The battleships *Vanguard* (UK) and *Iowa* (US) also took part, together with cruisers, destroyers and support vessels which included six warships of the Royal Netherlands Navy. A squadron of RAF Coastal Command aircraft provided part of the air cover for the exercise from bases in the United States, and squadrons of United States and Canadian aircraft, also engaged in ocean patrol work, operated from airfields in the United Kingdom. Other RAF squadrons were based near Lisbon and in Newfoundland.

Second Phase in Channel and Eastern Atlantic

The second phase of the exercise took place in waters off the United Kingdom—the eastern Atlantic and Channel areas. For this phase, the units of the UK, US and Canadian navies already operating in northern waters, were joined by strong forces from the British Home Fleet and by supporting forces from the navies of other NATO nations. Coastal, Channel and North Sea and Scandinavian convoys were provided with air cover by the RAF and by Belgian, French and Netherlands aircraft against attacks by submarines and by aircraft from the 2nd and 4th Allied Tactical Air Forces operating from airfields in Europe.

After operating for three days in northern waters as a striking fleet which had first 'fought' its way across the Atlantic, the NATO units tested, in the Channel and eastern Atlantic areas, the maintenance and protection of sea lines of communication and the attack on and defence of land targets in the United Kingdom. Admiral Edelsten (CINCHAN) said, during the exercise, that in *Mariner* an attempt was being made to produce what could be expected to happen in war conditions. The Channel was a vital bottleneck for the supply of men and materials to Europe and for providing food and other essentials for the civil populations of the United Kingdom, France, the Netherlands and Belgium. It was not now possible to divorce surface craft from air support, he said, and during the operation he was working closely with Air Marshal Stevens (CINCMAIRCHAN).

Related Exercises on Rhine and Scheldt

Two other exercises were conducted in conjunction with *Mariner*. Between 21st and 25th September, US Naval forces in Germany, together with US and French units of the Rhine River Patrol and commandos from the Royal Netherlands Army, took part in a training exercise involving more than 80 river craft and 600 men. The commandos conducted simulated attacks against naval forces and installations along the Rhine, and naval tactics on the river were practised.

Exercise *Seashell*, designed to test the sea and air defences of the river Scheldt and of the approaches to Antwerp and Rotterdam, took place on 1st and 2nd October. Air activity was constant in the area, and intensive mine-laying and sweeping operations were carried out. In this exercise there was close co-operation between United Kingdom, Belgian and Netherlands forces.

Results of Exercises

Although the final results of *Mariner* will not be known until a detailed analysis has been prepared, Admiral McCormick (SACLANT), told a press conference on 4th October that the exercise had 'increased our readiness in a very significant way'. The object of the exercises had been to test the command organization and international communications, and to give the ships and aircraft of various nations an opportunity of operating together in conditions as similar as possible to those that they might expect in any war in the near future. The opportunity had also been taken to test anti-submarine organization, with particular emphasis on the control and protection of shipping.

A joint statement was issued earlier by Air Marshal Stevens and Admiral Sir George Creasy, Naval Commander-in-Chief Eastern Atlantic area, in which it was stated that surface operations had demonstrated that naval forces composed of units from several nations could successfully conduct complex manoeuvres even in extremely adverse weather conditions.

A joint statement issued by Admiral Edelsten and the Air Commander-in-Chief for the Channel and Southern North Sea areas, said valuable lessons had been learned in the Channel Command in the course of the exercise, and that they were satisfied the many exercises carried out during the year previous to *Mariner* [see 6.8.53 2a(174)] had produced a fine dividend. Progress had been made so that the Command was now an integrated team, comprising units of four nations working efficiently together in the greatest harmony and with a common doctrine.

Exercise 'Welfast'

The most extensive allied land, sea and air manoeuvres ever conducted in the Mediterranean area took place from 29th September to 8th October under the code name Exercise *Welfast*. The exercise, which was designed to test the speed with which sea, land and air units could come into action in defence of southern Europe and to 'weld into a smoothly working military defence organization the available forces of Greece, Italy, Turkey, the United Kingdom and the United States within the Allied Command framework', was directed jointly by Admiral William B. Fechteler USN, Allied Commander-in-Chief Southern Europe, and Admiral Lord Mountbatten RN, Commander-in-Chief of Mediterranean Allied Forces. More than 100,000 troops and hundreds of ships, aircraft, tanks, and submarines of five NATO nations took part in it. The British Mediterranean Fleet, the US Sixth Fleet and the navies of Greece, Italy and Turkey joined in large-scale naval manoeuvres, and all these nations sent up aircraft from ships and from shore bases. On land the Greek, Italian and Turkish forces conducted mock defensive battles, Greek and Turkish forces manoeuvring side by side for the first time in their history.

The first phase of the exercise was concerned with an imaginary attack on Sicily from the sea, supported by battleships and aircraft carriers, and anti-submarine and mine-laying operations were carried out in support of convoy work. During the land operations Greek and Turkish forces combined to meet an imaginary attack on the Greek and Turkish borders from the north, and the whole exercise culminated in the largest landing exercise yet undertaken by combined NATO forces.

In his summing-up of the exercise, Admiral Lord Mountbatten said that it had been set mainly in the Aegean Sea and Greek and Turkish waters in order to provide his Area Commanders in the Eastern Mediterranean and North Eastern Mediterranean areas, Admiral Lappas and Admiral Altincan, with an opportunity, the first since Greece and Turkey entered NATO, to activate the Allied Headquarters. A handicap had been imposed by the considerable improvisation which had been necessary, especially at Athens, to provide these two Commanders with the additional communications necessary to enable them to undertake their increased responsibilities. In spite of this, both the Commanders and their staffs had capably demonstrated their ability to control and co-ordinate the movements of all Allied Forces within their areas. It was important to remember, however, that the naval situations which occurred in these areas during *Welfast* were not intended to relate specifically to any which it was visualized might occur during time of war. Many had been included only to provide the participating Greek, Turkish, Italian, British and US forces with the maximum possible inter-Allied training. During this training a satisfactory standard had, in general, been achieved, and active steps would be taken to eliminate certain weaknesses which had been revealed.

Mr. Head on the Turkish Defence Effort

Mr. Antony Head, UK Secretary of State for War, on his arrival at London Airport, from talks with the Turkish Prime Minister, Foreign Secretary and Defence Minister, told representatives of the UK Press that there was immense determination in Turkey to prepare against the possibilities of war and to ensure that Turkish forces were up-to-date.

The big problem, Mr. Head said, was equipment, which was becoming more and more technical. A great amount of it was being sent to Turkey,

mostly from the United States, and the Turks had the problem of enabling their large Army to be sufficiently knowledgeable on the technical and maintenance side to make full use of it in war. There was a drive to train officers, especially younger ones, and to prepare all the workshops and installations necessary in wartime. Britain had sent a certain amount of equipment and was helping a great deal by keeping in Turkey numbers of officers and non-commissioned officers to give instruction, particularly on technical matters.

'Everything I saw reinforced the opinion that our relations with Turkey are going to get closer and closer,' he said. Turkey was well aware of the necessity for the NATO countries and the whole of the Middle East to plan together.

New Naval Base in Turkey

It was announced by Admiral Hughes of the US Naval Mission on 19th October that the Iskerandun naval base and training centre, which has been constructed with Mutual Security Programme funds, would be put into operation and handed over to Turkey on 20th October. Iskerandun lies at the eastern end of the Mediterranean coast of Turkey and north-east of Cyprus. The base has refuelling facilities, repair shops and a training centre for 5,000 recruits. It will be available for the use of NATO in time of emergency.

Statements at UK Party Conferences

At the Party Conferences held in October by the UK Conservative and Labour Parties, support for NATO was reaffirmed by both Parties. For a summary of statements and resolutions see *Appendix I* (roneoed) to *International Survey*, No. 138.

Broadcasts on BBC European Service

The texts of the broadcasts given on the European Service of the BBC by Admiral McCormick and by Field Marshal Lord Montgomery in the series 'NATO As I See It' [see 17.9.53 2a(210)], will be found in *Appendices II and III* (roneoed) to this issue of *International Survey*. Texts of earlier broadcasts in this series, by Admiral Nicholl and by Lord Ismay, were issued as *Appendices I and II* to *International Survey* No. 136 and by Admiral Qvistgaard and by General Gruenthal as *Appendices I and II* to *International Survey* No. 137.

European Payments Union

Settlement of Surpluses

The Council of the Organization for European Economic Co-operation has announced a decision on the settlement of the surpluses in the European Payments Union accumulated by the German Federal Republic and Austria in excess of their quotas.

Already, in June 1953, the Council had decided to extend the Federal Republic's quota of 500 million units of account by 150 million units [see 9.7.53 2a(150)]. Within the limits of that extension, any surplus over the original quota would be settled half in gold and dollar payments from the Union to Germany and half in credits from Germany to the Union. This extension has now been increased to 200 million units of

account which, it is stated, should ensure the settlement of Germany's surpluses for the accounting periods of September and October. The position would be reconsidered in November.

As to Austria, the Council states that its surplus in the Union had been increasing to such an extent during recent months that its quota of 70 million units of account would be exceeded as a result of the September operations. Therefore, Austria would be given an additional quota of 25 million units of account within which surpluses would be settled as in the case of Germany. The position would be reconsidered at the end of January 1954.

UK Position in the September Operations

The settlement in EPU for September disclosed a United Kingdom net surplus for the month of £4,347,857 (12,174,000 units of account), which reduced the United Kingdom's cumulative accounting deficit with the Union to £282,947,500. The surplus for September was settled half by payment of gold by the Union to Britain and half by the reduction of the credit previously extended to Britain by the Union. The total amount of gold paid to date by the United Kingdom to the Union was thus reduced to £88,473,929.

The United Kingdom's cumulative position was as follows:

	CREDIT £	GOLD £
<i>United Kingdom cumulative deficit: £282,947,500</i>		
1st Tranche 10% of quota (all credit)	37,857,143	—
10% of quota (80% credit, 20% gold)	30,285,714	7,571,428
2nd 20% of quota (70% credit, 30% gold)	53,000,000	22,714,286
3rd 20% of quota (60% credit, 40% gold)	45,428,571	30,285,714
	<hr/> 166,571,428	<hr/> 60,571,428
<i>Balance of deficit: £55,804,644</i>		
Met by 50% credit, 50% gold	27,902,143	27,902,501
<i>Total credit received or gold paid</i>	<hr/> 194,473,571	<hr/> 88,473,929

Arbitrage in European Currencies

Scheme Extended to Cover Forward Transactions

With effect from 5th October 1953, the scheme for arbitrage between the eight main foreign exchange markets of Western Europe, which was introduced for spot transactions in May [see 28.5.53 2a(131)], was extended to cover forward transactions. Before 5th October, an authorized British Bank could, for example, buy forward guilders from another British Bank or from a Dutch Bank, but not from banks in Belgium, Denmark, France, Western Germany, Sweden or Switzerland—the other countries participating in the scheme—unless prior approval had been given by the exchange control authorities of the countries concerned. It can now do so, if the purchase is for a period of three months or less.

In a statement made to the annual meeting of the International Monetary Fund in Washington on 10th September, the leader of the UK delegation, Mr. R. Maudling, Economic Secretary to the UK Treasury, cited this development of European currency arbitrage as 'an important, if modest, step in the right direction' i.e., the direction of freer multilateral trade and payments.

Arabia

Buraimi Oasis Frontier Dispute

On 18th September, the Saudi-Arabian Ambassador in London presented a Note to the United Kingdom Government concerning incidents which had arisen during September in the disputed area of the Buraimi Oasis. The Note alleged that British forces had attacked the local inhabitants and that certain goods intended for the use of Turki bin Ataishan, the Saudi-Arabian official who has been in the oasis since August 1952 [see 16.4.53 2b(33)], had been confiscated. On 26th and 29th September, the Saudi-Arabian Government issued statements alleging that United Kingdom forces had been responsible for further such incidents in the Buraimi area.

The Situation in Buraimi

A spokesman of the United Kingdom Foreign Office stated on 23rd September that there had in fact been two recent incidents in the Buraimi area. On 15th September a party of armed tribesmen, attempting to enter the village of Hamasa, in which Turki bin Ataishan had improperly established himself, were intercepted by a patrol of Trucial Oman Levies. Instead of halting as requested, the tribesmen opened fire on the Levy patrol, which retaliated in self-defence. As far as was known there had been no casualties. Later on the same day, a Levy patrol from the village of Jimi was dispatched to interrogate a man making for Hamasa. On the approach of the patrol the man opened fire in reply to an order to stop, and fire was also opened on the patrol from Hamasa. In the exchange, the tribesman who had refused to stop was hit. Later a force of about 100 men advanced from Hamasa in a threatening manner upon the patrol, which had returned to Jimi. The Levy patrol, of only seven men, were forced to open fire to avoid being overrun. The spokesman emphasized that, in both cases, the action by the Trucial Oman Levy patrol was undertaken solely in self-defence.

He recalled that, in a Note of 1st July 1953, the United Kingdom Government had warned the Saudi-Arabian Government that they could not permit Turki bin Ataishan to continue to engage in improper activities in Buraimi. His continual contact with local tribesmen for political purposes had been a prominent feature of this campaign. For this reason, the United Kingdom Government had made it clear that all persons attempting to visit the Saudi representative would be turned back, and that the delivery of large quantities of supplies from outside Buraimi Oasis to Turki in Hamasa would not be permitted, since the United Kingdom Government had abundant evidence that such supplies had been used to further his activities and to buy the favour of the local tribes.

The United Kingdom Government's view, pending the dispatch of a Note in reply to the Saudi-Arabian Note of 15th September, was that full responsibility for all hardship and inconvenience arising from the steps which they had been compelled to take must lie with those who were responsible for the conduct of Turki bin Ataishan.

The Foreign Office spokesman recalled that the United Kingdom Government had suggested to the Saudi-Arabian Government that the dispute should be solved by impartial arbitration. The Saudi-Arabian Government appeared to have accepted this suggestion, but there was no

agreement yet on preliminary arrangements in the disputed area which would permit truly impartial proceedings to begin. In particular, the continued presence of Turki in the oasis presented obvious difficulties.

Anglo-Egyptian Relations

Statement by Lord Salisbury

On 8th October, at the Conservative Party Conference, Lord Salisbury, Acting Secretary of State for Foreign Affairs in the absence of Mr. Eden, spoke about the present informal Anglo-Egyptian discussions on the Suez Canal Zone base.

Lord Salisbury said that Egypt was not a detached issue but part of the whole world-wide strategic problem. Any agreement, he said, must contain a firm reaffirmation of the principle of free transit through the Canal. Agreement had, however, not yet been reached with Egypt, even on general principles.

A full summary of Lord Salisbury's statement will be found in APPENDIX I to this issue.

The Sudan

Second Development Programme

The Sudan's second development programme is described in *The Sudan Development Programme 1951-56*. As approved in the 1953-54 budget, it allows for a total government investment in capital works over the years 1951-56 of £E34 million¹. This figure was revised twice during 1952 from an original figure of £E24 million, which, largely because of the exceptional boom conditions of the years 1951-52 and consequent increases in government revenue, was itself nearly double the total allocation of £E13 $\frac{3}{4}$ million for the first development programme 1946/51.

The table shows the way in which the £E34 million is to be spent.

	ANALYSIS OF PROGRAMME				£E	% of Total
Communications						
Sudan Railways extensions and equipment	4,500,000	
Road machinery and general expenditure	1,363,379	
Trunk roads	1,100,000	
Other roads	510,000	
Telephones	908,800	
Telegraphs	73,000	
Posts and Telegraphs Offices	158,085	
Miscellaneous Posts and Telegraph items	41,500	
Airports	478,600	
Sudan Airways expansion	115,000	
Meteorological services	11,400	
TOTAL, COMMUNICATIONS	9,259,764	27

¹£ Egyptian=approx. £1 0s. 6d.

				£E	% of Total
Productive Schemes					
Rural water supplies and soil conservation	..	..	..	2,873,000	
Forestry	..	..	..	150,210	
Livestock and veterinary services	..	..	..	265,337	
Fisheries	..	..	..	107,800	
Geological survey	..	..	..	72,870	
Agricultural research	..	..	..	333,800	
Investigation into alternative cash crops	..	..	..	130,000	
Cotton growing	..	..	..	1,056,750	
Cotton ginning, spinning and weaving	..	..	..	1,251,750	
Agricultural education service	..	..	..	250,000	
Agricultural engineering services	..	..	..	116,000	
Miscellaneous agricultural schemes	..	..	..	143,620	
Unallocated balance reserved for agricultural schemes	..	..	..	500,000	
Irrigation surveys	..	..	..	304,500	
Miscellaneous irrigation items	..	..	..	76,000	
Topographical surveys	..	..	..	211,260	
TOTAL, PRODUCTIVE SCHEMES	..	..	..	7,842,897	23
Public Utilities					
Advances to Sudan Light & Power Co. Ltd. and Wad Medani Light & Power Co. Ltd.	..	..	..	2,915,000	
Loan to Khartoum Municipality for waterborne sewerage scheme	..	..	..	1,000,000	
Piped water supplies for various towns	..	..	..	660,550	
Electricity supplies for various towns	..	..	..	193,500	
General expenditure on public utilities	..	..	..	176,000	
Unallocated balance for public utilities	..	..	..	200,000	
TOTAL, PUBLIC UTILITIES	..	..	..	5,145,050	15
Social Services					
Ministry of Education services	..	..	..	3,540,000	
University College of Khartoum	..	..	..	562,620	
Health services	..	..	..	2,373,000	
Broadcasting	..	..	..	175,000	
Population census	..	..	..	130,880	
Workers' housing experiments	..	..	..	68,000	
Miscellaneous items	..	..	..	36,000	
TOTAL, SOCIAL SERVICES	..	..	..	6,885,500	20
Administration					
Loans and grants to local government authorities	..	..	..	1,200,000	
General staff housing	..	..	..	672,800	
Motor transport vehicles and workshops	..	..	..	420,000	
Prisons	..	..	..	169,250	
Police college and police stations	..	..	..	161,500	
Law Courts	..	..	..	51,000	
Miscellaneous (chiefly buildings for an expanding Administration)	..	..	..	1,432,550	
TOTAL, ADMINISTRATION	..	..	..	4,107,100	12
Reserves and Unallocated	..	..	..	760,000	3
TOTAL PROGRAMME	..	..	..	34,000,000	100

Communications

The sum allocated for the government-owned Sudan railways will meet half the existing capital programme of £E8.9 million for extensions, berthing facilities, engines, rolling stock, buildings and machinery. On roads, the document says that all that can be afforded over most routes is 'clearance of a track, bridging where necessary, gravelling in weak

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stretches and grading'. Telephone services are to be extended and improved to meet the increased public demand reflecting the recent years of prosperity. The main runways of Khartoum civil airport, to the development of which £E365,000 is allotted, have been improved at the expense of the UK Ministry of Civil Aviation. The Sudan is paying for taxi-tracks, parking aprons and a new block of terminal buildings; improvements are also to be made to Asoteriba (Port Sudan) and Juba airfields. In Blue Nile Province, a new airfield has been laid out at Wad Medani and a landing ground completed at Dueim. These new airfields make possible regular Sudan Airway Services between these towns and Khartoum. New aircraft (a *Dove* and 2 *Dakotas*) have been bought for the government-owned Sudan Airways, and a hangar is being transferred from Wadi Seidna (near Omdurman) to Khartoum and refitted.

Productive Schemes

'To open up new areas to livestock and raincrop cultivation an essential step is to provide and improve rural water supplies', states the review. 'About half the £2½ million will be spent in excavating hafirs¹ in Darfur, Kordofan, Blue Nile, Kassala, Upper Nile and Equatoria Provinces'. Well-digging and soil conservation projects are also included. The livestock measures aim at combating environmental factors, e.g. climate and disease; a Grassland Experimental Centre is to be set up in Darfur and a group of Livestock Improvement and Animal Husbandry Centres in Darfur and in the Gezira area, lying between the Blue and White Nile. Fisheries development schemes provide for experimental and advisory work on conservation and new methods at Juba, Malakal and Gordon's Tree near Khartoum. Agricultural research schemes include the creation of a Research Station for the Central Rainlands at Tozi in Blue Nile Province, experiments in grain storage in the southern provinces, where climate is difficult, and in cash crops other than cotton. A major project at Guneid in Rufaa District of Blue Nile Province will yield cotton chiefly, but also dura (a millet), groundnuts and a forage crop (e.g. lubia). Increased cotton ginning, spinning and weaving capacity is to be provided, the largest item being a £1 million cotton spinning and weaving mill in Northern Sudan. The UK consulting engineers, Sir Alexander Gibb and Partners, have been entrusted with two of the four irrigation surveys needed for long-term planning of economic development.

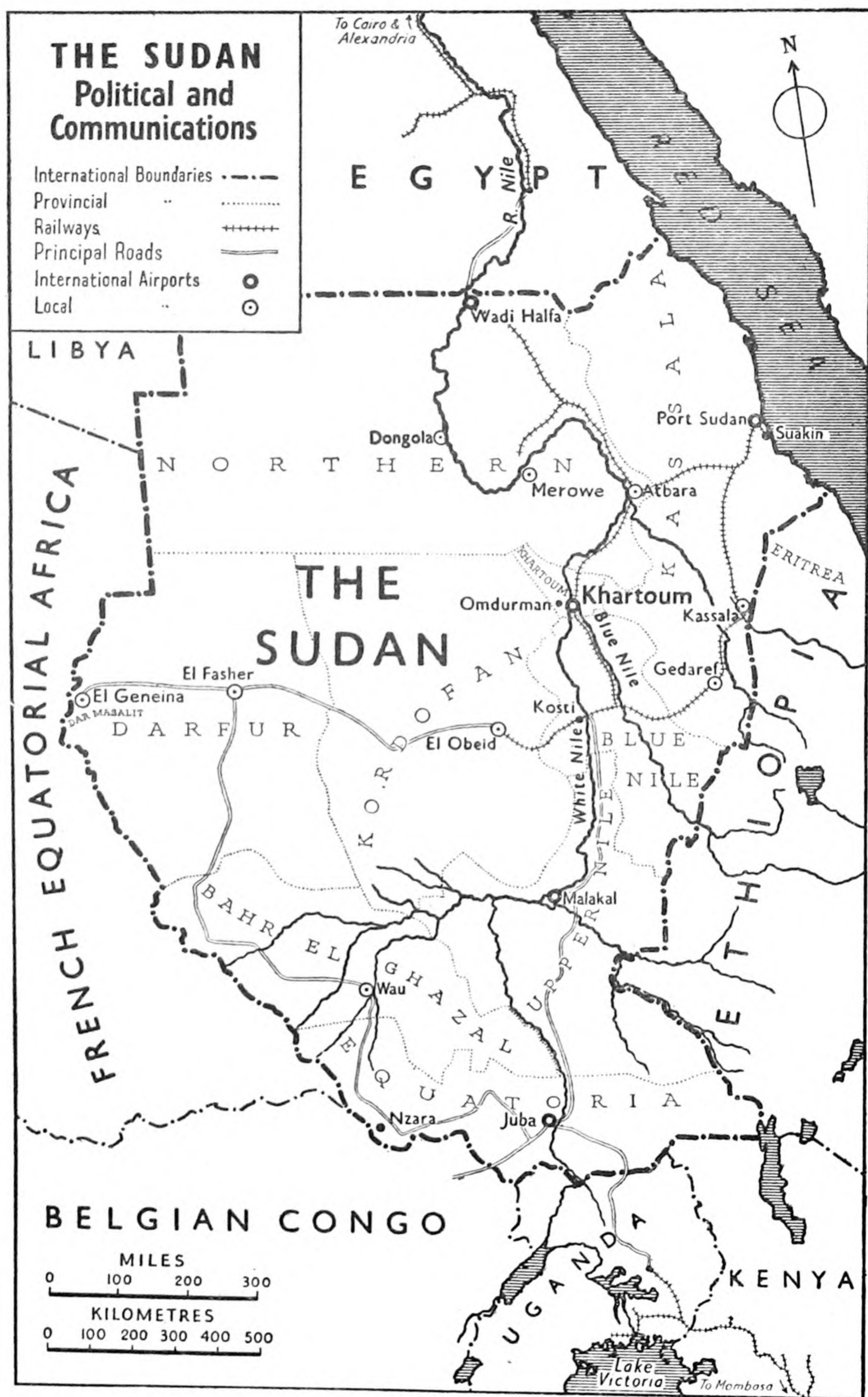
Public Utilities

Capital expenditure by the government-owned Sudan Light and Power Co. Ltd., which provides electricity, water and other services to Khartoum North and Omdurman, is estimated at £E3½ million for 1950–56, a part of which will be found from the Company's own resources. 'In the larger provincial towns', the review says, 'it may be economic to pump filtered water to conveniently situated standpipes instead of leaving the public to fetch it in cans.'

Social Services and Administration

Allocations for education envisage three new secondary schools for boys at Khartoum, Atbara and Rumbek (Bahr el Ghazal Province), expansion of the Khartoum Technical Institute, 9 new intermediate schools, some 215 new elementary schools, as well as extensions and improvements to existing schools. Expansion of health services includes a new Khartoum hospital and other hospitals, dispensaries, and welfare centres.

¹Machine-excavated ponds or reservoirs to store rainwater for the needs of the dry season.



The grants to local authorities are towards the cost of administration buildings such as council offices and court houses, and a new prison planned at El Obeid.

An account of the political and constitutional history of the Sudan, and of its economic and social development, will be found in RF.P.2593 (I. 2b) of July 1953, THE SUDAN 1899-1953.

Persia

Legal Action against the Tudeh Party

A communiqué from the Persian Army Prosecutor, Brigadier Hoseyn Azmudeh, which was broadcast by Tehran Radio on 4th October, stated that 'the major work' of the controllers of the Tudeh Party (which was formed in 1942) was the disturbance of the country's internal security. The tension caused by the Tudeh leaders had led to stoppages of work, diversion of the Government from the performance of its major duties, and the misleading and confusion of public opinion.

The Army Prosecutor stated that the establishment or operation of any group following Communist aims was illegal under Persian law. The purposes of the Tudeh Party included not only the establishment of Communism, but offences under Article 317 of the Military Prosecution and Penal Codes which stated that: 'Anyone who makes an attempt to overthrow the Government, to change the succession to the Throne or to incite the mob to revolt against the monarchy, shall be condemned to death.' In accordance therefore with Article 317, the Army Prosecutor announced, anyone taking part in any activities in any way associated with the dissolved Tudeh Party or in furtherance of its aims, would be tried by a military tribunal on a capital charge.

Mr. Hoover's Visit to Tehran

The US State Department announced on 15th October that Mr. Herbert Hoover, junior, who was recently appointed as a special adviser on oil problems to Mr. Dulles, US Secretary of State, was to fly to Tehran to make an 'on the spot observation' of oil conditions in Persia, and to inform himself thoroughly on the problems involved. The State Department emphasized that Mr. Hoover was not taking any proposals relating to the Anglo-Persian oil dispute, nor would he have any authority to negotiate.

A UK Foreign Office spokesman stated, later on the same day, that Mr. Hoover's visit was being made with the full knowledge of the UK Government, which had been informed in advance.

New Persian Oil Commission Appointed

The Persian Prime Minister, Marshal Zahedi, early in September, appointed an Oil Commission of five members to study all the proposals for a settlement of the oil dispute made between 1951 and 1953 by the UK Government and by the UK and US Governments jointly. The Commission will report back to the Prime Minister.

A survey of the course of the Anglo-Persian oil dispute and of the various proposals made for its settlement will be found in Reference Note R.2651 of 10.10.53 (I. 2b) 'The Anglo-Persian Oil Dispute 1951-1953'.

The United Nations and Korea

Representatives to Discuss Political Conference

On 9th October the US Government addressed (through the good offices of the Swedish Government) a fourth message to the Chinese People's Government and the North Korean Authorities. [For previous messages see 1.10.53 2c(96)]. The US Government were acting, in accordance with a UN General Assembly resolution of 28th August [see 3.9.53 2c(84)], on behalf of the nations which have troops serving under the UN Command in Korea.

The US message said that it was urgent to complete preparations for holding a Korean political conference, referred to its previous messages of 5th, 19th and 24th September, proposing Honolulu, San Francisco or Geneva as suitable conference sites, and renewed the offer of a meeting of representatives of the three Governments.

Chinese and North Korean Reply to US Message

The Chinese People's Government and the North Korean Authorities replied on 10th October. They agreed to appoint representatives to meet the US representative to hold discussions on the forthcoming conference and proposed that such a meeting should be held in Korea, at Panmunjom.

US Note on Scope of Representatives' Meeting

In its reply, on 13th October, the US Government, acting on behalf of the other UN member States involved (see above), stated that the US representative would be prepared to meet the Chinese and North Korean representatives at Panmunjom on 26th October. It stated, however, that this did not mean that the US Government considered Panmunjom as a suitable site for the political conference itself.

The US Note drew attention to the provisions of Paragraph 60 of the Armistice Agreement [see 20.8.53 2c(78)]. This, the Note said, had been drafted initially by the Communist Commands. The Note also recalled the insistence by the chief delegate of the Communist Commands, at the time of the adoption of the paragraph in February 1952, that participation be limited to the Governments concerned on both sides, since some members of the United Nations had not sent troops to Korea. The US Note also referred to the two UN resolutions of 28th August [see 3.9.53 2c(84)] concerning participation in the conference.

In conclusion, the Note stated that: 'The United States, after consultation with the other Governments participating on our side, has authorized its representative to agree on a time and a place for a conference and to exchange views looking toward early agreement on procedural, administrative and related questions as to arrangements which it might be appropriate to discuss before the conference begins. Our representative, therefore, will be prepared to deal with such questions and will also be prepared to exchange views on composition of the political conference to the extent consistent with the basis set forth in the preceding paragraphs.'

Prisoners of War in Korea

The transfer into the custody of the Neutral Nations Repatriation Commission of prisoners of war who had until then refused to accept repatriation was completed on 25th September. The UN Command

has handed over a total of 22,604 prisoners, comprising 14,704 Chinese and 7,900 North Koreans; the Communist Commands have handed over 359 prisoners, comprising 335 men from South Korea, 22 from the United States and 1 from the United Kingdom. The procedure to be followed by the Neutral Nations Repatriation Commission in dealing with these prisoners will be found in the agreement signed on 8th June [see 11.6.53 2c(50-52)].

Further UN Command Letter on Missing POWs

A letter addressed by General Mark Clark, Commander of the UN Forces in Korea, to the Communist Commands on 24th September, said that the Communist Commands' reply to an earlier UN request for the return of 3,404 prisoners believed to be in Communist hands but not accounted for [see 17.9.53 2c(88)], was wholly unacceptable.

The Communist Command had stated on 21st September that they had never captured most of the officers and men on the list, that 519 of them had been returned and that a further 380 men had died or been 'released at the front'.

Excerpts from statements on Far Eastern affairs made at the UK Labour and Conservative Party Conferences on 1st, 8th and 10th October, will be found in APPENDIX I to this issue.

Brazilian Commercial Debts to UK

Agreement on Settlement

Notes were exchanged on 2nd October between the United Kingdom Ambassador at Rio de Janeiro and the Brazilian Government, providing for the payment of Brazil's commercial debts of some £63 million to creditors in the United Kingdom and the UK Dependencies.

A statement issued by the UK Treasury reads as follows:

'Brazil will apply to the International Monetary Fund for a drawing of £10 million sterling to be used for an initial payment.

'In each year from 1st October 1953, the Brazilian Government will make available a minimum of £6 million for the liquidation of these debts. This amount will be increased in any year in which Brazil's total sterling receipts from all sources exceed £35 million. Interest will be payable by the Brazilian Government at the rate of 3½ per cent per annum on the outstanding debts. The Brazilian Government has agreed to restrict payment in sterling for purchases of petroleum products from United Kingdom Companies to £15 million a year until these commercial debts are cleared off.

'The detailed procedure for carrying out these arrangements will be the subject of early discussion between representatives of the two Governments.'

Origin of the Debts

These large arrears of commercial debt arose largely because, during 1952, Brazilian importers were unable to get the sterling to meet their sterling obligations owing to Brazil's heavy adverse balance of trade with the United Kingdom. The reasons for this unbalance in trade were explained by Mr. Mackeson, UK Secretary for Overseas Trade, during a debate in the House of Commons on 9th July 1952. While reaffirming his confidence in the economic potentialities of Brazil, he stated that Brazilian export prices had recently been above world prices, so that UK imports from Brazil, which had been rising during the years 1949 to 1951, dropped sharply in the first four months of 1952, while UK exports to Brazil continued to expand.

During the later months of 1952, the value of UK exports fell relatively slowly as orders already placed continued to be filled; their average monthly rate was £4.4 million compared with £4.6 million in 1951. Imports from Brazil, however, remained at a very low level, averaging £1.3 million a month compared with £5.5 million in 1951.

About a third by value of British exports to Brazil have been covered by guarantees from the Export Credit Guarantee Department (EGCD) [see *Home Affairs Survey* 25.3.52 2g(18)], including guarantees against default resulting from currency difficulties. EGCD, which is normally self-liquidating and, indeed, over its previous 21 years operations had contributed £11.5 million to the Exchequer, ceased to issue fresh cover on Brazilian transactions after May 1952 but was nevertheless involved in serious loss on its operations for 1952-53 which necessitated a supplementary estimate of £14.8 million.

During 1953, UK imports from Brazil have recovered somewhat, and, for the first half of 1953, Brazil had a small favourable balance of trade with the United Kingdom, with exports at a monthly rate of £2.4 million compared with £1.6 million for imports.

The United Nations and Morocco

The Political (First) Committee of the UN General Assembly began consideration of the Moroccan question on 7th October.

The UK representative, Sir Gladwyn Jebb, speaking on 8th October, said the views of his Government on this subject had already been made clear, notably by Mr. Selwyn Lloyd in the Political Committee on 15th December 1952 [see 31.12.52 1h(147-149)] and by himself in the UN Security Council on 27th August [see 17.9.53 2d(16)]. The relationship between France and Morocco was, he said, governed by the Treaty of Fez, and, under this Treaty, the conduct of Moroccan external affairs was conferred exclusively upon France. The result of this, in the UK Government's view, was that only the Government of France could speak for Morocco in the international field. France clearly could not conduct a dispute with herself, and it followed that, if any dispute did indeed exist between France and Morocco, such a dispute must be a domestic one and therefore not an international one. This opinion was supported by the fact that the General Assembly accepted information on Morocco, transmitted by France in accordance with Article 73, paragraph (e) of the UN Charter, which was not political but 'information of a technical nature relating to economic, social and educational conditions'. 'It does not seem to us possible,' Sir Gladwyn continued, 'to maintain, at the same time, that Morocco is a territory about which information should be submitted in accordance with Article 73, and that Morocco has those qualities of sovereignty which would make any dispute between it and France an international question.'

If, as the UK Government maintained, 'the relations between France and Morocco are not international but rather domestic, how can affairs in Morocco become an international question? If there were other signatories to the Treaty of Fez, this might give other parties a *locus standi* on its interpretation. But there is none'.

The sponsors of the item [see 17.9.53 1b(46)] maintained that the situation in Morocco had led, or was likely to lead, to a threat to international peace and security. In the view of the UK Government, this could only mean a threat to the peace and security of some other State. But surely no other State was so threatened. 'The most that has ever been suggested,' Sir Gladwyn continued, 'whether rightly or wrongly, is that peace and security are endangered within Moroccan territory itself, and that, we maintain, would be an internal and not an international problem.'

The Moroccan question, he maintained, could not be removed from the domestic field because of the clauses in the UN Charter regarding human rights. 'Issues of human rights—even if such issues were, in fact, involved in Morocco today—are matters of international concern, but they are not at present matters of definite and precise international obligation.' If natural interest in the fate of any cultural group were in itself a valid reason for bringing any matter concerning such a group before the United Nations (and the UK Government did not consider it was), 'then the fate of Moslems in Soviet Central Asia should surely be ventilated here, for it is there, and not in Morocco, that Moslem culture is literally in danger of extinction.'

Sir Gladwyn Jebb declared that 'the position of the United Nations in regard to matters which are not international but internal is governed by Article 2, paragraph 7 of the Charter. "Nothing"—it says in this paragraph—"Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state . . .".'

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*With separate roneoed Appendix.

East-West Relations

Western Notes to USSR

On 18th October the Western Powers delivered identical Notes to the USSR, repeating their earlier proposal for a four-Power meeting of Foreign Ministers on Germany and Austria at Lugano, and suggesting 9th November as the date.

Background

These Notes are the latest in a series which arose out of a Western proposal, announced in a communiqué issued after the Washington tripartite conference in July [see 23.7.53 1a(50)]. The Western Powers decided to propose a four-Power meeting to consider 'the first steps which should lead to a satisfactory solution of the German problem, namely the organization of free elections, the establishment of a free all-German Government', and 'the conclusion of the Austrian treaty'.

A Soviet reply on 14th August envisaged a meeting on a widely different basis, and proposed to inject into the discussions a series of other complex questions. Some of these, as the Western Notes of 2nd September pointed out, had already been entrusted to the United Nations or to international bodies, such as the Political Conference on Korea [see 20.8.53 2c(78)].

A further Soviet Note of 15th August [see 20.8.53 2a(184)], proposed a meeting on yet another basis, a German peace conference 'to be held within six months', but linked this with criticisms of the policy of the Western Powers and a series of devices which, as the Western reply of 2nd September [see 3.9.53 2a(195)] pointed out, would have the effect of postponing to some indeterminate date the holding of free elections in Germany.

The Western Notes of 2nd September renewed the invitation to discuss the German and Austrian problems, a solution of which 'could be expected to pave the way for fruitful discussion of other major questions', and suggested that the meeting might take place at Lugano on 15th October.

The Soviet reply of 28th September [see 1.10.53 1a(72)], after developing at some length the Soviet case on the substance of the German question and other major international issues, went on to propose, 'in conformity with the above', the convening of the Foreign Ministers:

- '(1) to examine, at the meeting consisting of the Foreign Ministers of France, Britain, the United States, the People's Republic of China, and the Soviet Union, measures for reducing tension in international relations;
- '(2) to discuss, at the meeting consisting of the Foreign Ministers of France, Britain, the United States, and the Soviet Union, the German question, including all proposals put forth in the course of preparing the meeting.'

Text of the UK Note of 18th October

*Her Majesty's Government, in their customary close consultation with the Governments of the United States and France, have carefully studied the Soviet Government's reply of 28th September [see 1.10.53 1a(72)] to the proposals of the three Western Powers for a four-Power meeting at Lugano on 15th October. The Government of the German

Federal Republic and the German authorities in Berlin have also been consulted.

'A satisfactory settlement of the problems relating to Germany and Austria is clearly essential for any real and lasting relaxation of international tension, and is vital to the future of the people of those countries. Her Majesty's Government, recalling their earlier Notes of 15th July and 2nd September [see 23.7.53 2a(159) and 3.9.53 2a(195), respectively], are firmly of the opinion that real progress towards a solution of major international questions, including the problem of European security, can be made by frank discussions on Germany and Austria at a meeting of the Foreign Ministers of the United States, the Union of Soviet Socialist Republics, the United Kingdom and France, and not by embarking upon a further exchange of Notes. Her Majesty's Government trust that the Soviet Note reflects a willingness promptly to discuss these subjects.

'Such a meeting will enable the Soviet Government to state its views on any aspect of the German and Austrian questions which it may wish to present. For their part, Her Majesty's Government welcome the opportunity to put forward their views concerning questions dealt with in their previous Notes.

'As regards the Soviet proposal that the Austrian question be discussed in the ordinary diplomatic way, it is the view of Her Majesty's Government that diplomatic channels are always available, and this Government will continue to give its most careful consideration to any Soviet proposal regarding the treaty, which may be thus submitted. However, as no progress has been made through such channels during the past few years, Her Majesty's Government are of the opinion that discussion by the four Foreign Ministers themselves represents the most practicable way to end the present stale-mate and reach agreement on a treaty.

'A solution of the German and Austrian questions is long overdue. The Foreign Ministers of the United States, the United Kingdom and France, conscious of the special responsibilities which their Governments, together with the Soviet Government, share in regard to Germany and Austria, therefore desire to consider these questions together with the Soviet Foreign Minister as soon as possible. Since the date of 15th October originally suggested has now passed, Her Majesty's Government propose that the Foreign Ministers should meet at Lugano on 9th November. They sincerely hope that the Soviet Government will agree to participate.

'The Soviet Note also proposes an additional five-Power conference to consider measures to lessen tensions in international relations. Her Majesty's Government are always ready and willing to discuss the underlying causes of such tensions, with a view to their removal. But they wish to do so under conditions which offer reasonable prospects for positive results, and assure that the views of the directly interested Governments are properly represented. Accordingly, Her Majesty's Government have already agreed to the Political Conference on Korea, in the form proposed by the Communist side in the Korean armistice negotiations, and recommended in the armistice agreement and by the United Nations General Assembly. It has been proposed that discussions should take place in Panmunjom on arrangements for the conference. All the five Governments mentioned in the Soviet Note could be represented at this conference, which, it is hoped, will meet at an early date. Its object is precisely to remove one of the major sources of tension in the Far East, thus opening the way for an early peaceful settlement of the other international problems now existing in this part of the world.

'Other matters mentioned in the Soviet Note, such as the disarmament question, are under either current, or projected, discussion in the United Nations General Assembly. Indeed, several of the subjects mentioned in the Soviet Note were recently inscribed on the agenda of the current General Assembly, at the request of the Soviet Union. In addition, Her Majesty's Government remain ready to discuss, through ordinary diplomatic channels, any points which any Government may wish to raise.

'Thus, on these various questions, the way is open for progress. If, in addition, a fruitful discussion can now take place at Lugano, the way would be paved for discussion of other major questions and for restoring the necessary conditions for peaceful and friendly relations among nations.'

Three-Power Discussions

French, UK and US Foreign Ministers' Meeting

The Foreign Ministers of France, the United Kingdom and the United States held one of their periodic meetings, to examine the current situation and common problems, from 16th to 18th October in London.

In a communiqué issued on 18th October, the Ministers gave the following information about the subjects of their discussions.

Germany and Austria

'The three Ministers approved the reply to the Soviet Union concerning discussions on Germany and Austria [see 2a(228)]. In their Notes, the three Governments have renewed their invitation to the Soviet Union to attend an early meeting of the Foreign Ministers. They hope that the Soviet Union will decide to accept. They believe that such a meeting would be an invaluable step towards a reduction of international tension and a solution of major European problems.'

Trieste

'The Ministers examined the problem of Trieste [see 2a in this issue]. They agreed to persevere in their joint efforts to bring about a lasting settlement in that area.'

Relations between Israel and the Arab States

'The three Foreign Ministers noted with grave concern the recent incidents culminating in Israeli armed action of 14th October in Qibya [see 2b in this issue], which, according to their information, resulted in serious loss of life and property inside Jordan. They recalled the tripartite declaration of 25th May 1950 [see 2.6.50 2e p.9] affirming the determination of their Governments immediately to take action, within and outside the United Nations, to prevent any violation of frontiers or armistice lines. They have therefore jointly requested an urgent meeting of the Security Council [see 2b in this issue] to consider the tension between Israel and the neighbouring Arab States, with particular reference to recent acts of violence and to compliance with and enforcement of the general armistice agreements.'

Far East

'They reviewed the situation in the Far East [see 2c in this issue]. In their strong determination to uphold and consolidate the truce in Korea, the three Governments will continue to co-operate in carrying

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out the armistice agreement and to work for the early convening of a political conference, as provided in the agreement, in order to achieve a peaceful settlement of the Korean question. Mr. Dulles informed his colleagues of the efforts which the United States Government is making to arrange a meeting of emissaries of each side' [see 15.10.53 2c(98) and 2c in this issue].

Indo-China

'The French Foreign Minister gave an account of the military results obtained thus far in Indo-China, as well as the progress made in the negotiations with the Associated States in order to carry out the French Declaration of 3rd July [see 9.7.53 2c(60)]. The three Ministers agreed that the successful conclusion of this war will be an essential step towards the re-establishment of peace in Asia begun by the armistice in Korea.'

UK Foreign Relations

Mr. Eden's Commons Statement

On 20th October, Mr. Eden made a statement in the UK House of Commons on foreign affairs. In this he dealt principally with Trieste [see 2a in this issue], but also with the three-Power conference in London [see 1a in this issue], the Israel-Jordan frontier situation [see 2b in this issue], and Korea [see 2c in this issue].

United Nations Day

Celebrations in the United Kingdom

The eighth anniversary of the coming into force of the United Nations Charter was celebrated on 24th October as United Nations Day. Throughout the United Kingdom meetings were held by local branches of the United Nations Association, and there were services in many churches to mark United Nations Sunday on the following day. Special messages appealing for support for the work of the United Nations were issued by Sir Winston Churchill, the UK Prime Minister, and by Mr. Attlee, the leader of the Labour Party, and Lady Violet Bonham Carter, Vice-President of the Liberal Party. A call for special prayers was made by the Archbishops of Canterbury and York, the Roman Catholic Archbishop of Westminster and the Moderator of the Free Church Federal Council.

The UK Minister of State, Mr. Selwyn Lloyd, spoke of the main purposes of the United Nations, and of the degree of success so far achieved by the organization, in a broadcast speech on 18th October. He said that support for the United Nations was a 'basic fact' in the policy of the UK Government, and that the United Nations could play an important part in the relaxation of world tension. A summary of Mr. Selwyn Lloyd's speech will be found in *Appendix II* (roneoed) to this issue of *International Survey*.

The UK Home Secretary, Sir David Maxwell Fyfe, addressed nearly 2,000 young people, representing twelve youth organizations, in London on 25th October at the annual United Nations Youth Service, which was conducted by the Dean of Westminster. In the course of his speech Sir David declared that, because of its 'resolute response' to the challenge of the aggression in Korea, the United Nations had emerged from the war there and the challenge to its authority 'with its reputation enhanced and its world-wide membership preserved', and he appealed for support for the attempts of the United Nations 'to establish true peace and eliminate want throughout the world'.

The Youth Service was also attended by members of a team of speakers taking part in the United Nations Association's campaign 'The Way Ahead'. During this campaign speakers from ten countries, including Mr. Attlee, Sir David Eccles, the UK Minister of Works, Dr. Subandrio, the Indonesian Ambassador to the United Kingdom, and Mr. Kher, the High Commissioner for India, will, during the next two months, address meetings arranged throughout the country in connection with an exhibition designed to illustrate the action being taken by the United Nations against war and want. This exhibition, which was opened by the UK Under-Secretary of State for Foreign Affairs, Mr. Nutting, in London, is to visit seven other large cities in the United Kingdom.

United Nations General Assembly

Admission of New Members¹

On 23rd October a resolution of the *Ad Hoc* Political Committee of the UN General Assembly, adopting a Peruvian proposal to set up a good offices committee to seek agreement on the admission of new members

¹This item has been compiled from press reports.

to the United Nations, was adopted unanimously by the Assembly in plenary session. The committee, which will consist of representatives of Egypt, the Netherlands and Peru, is to consult with members of the Security Council in an attempt to reach an understanding that would make it possible to admit new members. It is asked to report to the present session of the Assembly, if possible, or to the next session at the latest.

With the adoption of the resolution the Soviet delegate declared that, pending the outcome of the efforts of the committee, he would not press for a vote on the Soviet resolution to admit simultaneously Bulgaria, Hungary, Roumania, Finland and Italy. This proposal had been introduced by the USSR as an alternative to its earlier proposal to admit simultaneously fourteen States [see 18.9.52 1c(25)], which was reintroduced in the *Ad Hoc* Political Committee by M. Malik after having been defeated at the Assembly's seventh session [see 29.1.53 1b(1)].

In the course of the debate in the *Ad Hoc* Political Committee, the UK delegate, Mr. Crosthwaite, said on 13th October that his delegation found no difference in principle between proposals for the simultaneous admission of five or of fourteen States. Whilst the peace treaties with the five States had made it possible for the signatory Powers to support applications from them for United Nations membership, such support was not obligatory, and, in the view of the United Kingdom, three of the States did not qualify for membership. They had been condemned by the General Assembly in 1950 for breaches of the peace treaties in respect of human rights [see RF.P.2556 (I.1d) of February 1953, *Human Rights in Bulgaria, Hungary and Roumania*]. If the UK Government could be convinced that its previous objections no longer had any force, the applications of Bulgaria, Hungary and Roumania would receive its support. Meanwhile, if the USSR believed that the five candidates were all suitably qualified, it could raise the question of their individual admission in the Security Council and vote in accordance with what M. Malik had proclaimed as its legal obligations in each case. There could be no justification for the continued Soviet refusal to vote in favour of the Finnish and Italian applications, or for any continued disregard of the advisory opinion of the International Court that it was not in accordance with the UN Charter to make the admission of any State conditional upon the admission of others [see 4.6.48 2d p.37]. Mr. Crosthwaite said that, whilst the United Kingdom could not vote for a candidate whom it did not believe to be qualified, it had undertaken not to push its opposition to the point of the veto in a case where the necessary seven affirmative votes had been cast in the Security Council.

Sir Gladwyn Jebb, also speaking in committee on behalf of the United Kingdom, declared that past attempts to solve the problem had failed because of Soviet abuse of the veto, and it was to this matter that the proposed good offices committee should address itself. Whilst the USSR had been prepared to admit most of the candidates for admission *en bloc*, it had repeatedly prevented their admission as individuals and on their merits. The United Kingdom was not prepared to support any suggestion that the UK delegate in the Security Council should vote in favour of candidates with Soviet support in return for a Soviet vote in favour of other candidates.

A 19-member committee on the admission of new members, established at the seventh session of the General Assembly, reported to the present session that none of the courses so far proposed had proved generally acceptable and that no specific recommendations on the problem would be submitted [see 17.9.53 1b(45)].

Elections to the Councils

Brazil, New Zealand and Turkey were elected by the General Assembly on 5th October to the seats on the Security Council which will be vacated by Chile, Greece and Pakistan at the end of the year. The tenure of the other three non-permanent members of the Security Council, Colombia, Denmark and the Lebanon, expires at the end of 1954.

The Assembly also elected countries to succeed the six retiring members of the Economic and Social Council. The United Kingdom and the USSR were re-elected for a further term of three years, and Czechoslovakia, Ecuador, Pakistan and Norway were elected to succeed the Philippine Republic, Poland, Sweden and Uruguay.

India and Haiti were elected by the Assembly to replace on the Trusteeship Council the Dominican Republic and Thailand, whose terms expire at the end of the year.

Contributions to United Nations

New Scales for Member States

New scales for the contributions of member countries to the United Nations were approved by the Administrative and Budgetary Committee of the General Assembly, on 22nd October, by 39 votes to 6 (USSR, Byelorussia SSR, Czechoslovakia, Cuba, Poland and Ukrainian SSR), with 3 abstentions (Colombia, Greece and the Philippine Republic). It was also resolved that the Secretary-General be authorized to accept as much of the 1954 contributions as practically possible in currencies other than US dollars.

The new scales, which were recommended by the Assembly's Committee on Contributions, are based on an assessment of relative ability to pay, and involve changes in the rates of 22 member countries. The largest changes are for the USSR (raised from 12.28 per cent to 14.15 per cent of the total contribution), and for the United States (reduced from 35.12 per cent to 33.33 per cent). This reduction was made on the ground that no one country should pay more than one-third of the total.

Other changes, which in each case amount to less than 1 per cent of the total contribution, comprise increases for 12 States and reductions for 8 others, including India, Pakistan, South Africa and the United Kingdom (from 10.30 to 9.80 per cent). The new scales will be reviewed again next year.

Objections by USSR

The Russian delegate objected to the new scales. He pointed out that the contribution rates of the USSR, Byelorussia and the Ukraine had been systematically raised by about 90 per cent over the past four years, in spite of the fact that these countries were still suffering from the after-effects of the second world war, and had moreover great difficulty in obtaining foreign currency, especially dollars, owing to the discriminating practices of the West.

Relying on behalf of the United States, Mr. James P. Richards said that, to judge by the official figures of increased production issued by these countries, they were still considerably under-assessed.

United Kingdom Reply

The United Kingdom delegate, Sir Alec Randall, defended the new scale, and, in particular, the increase for the USSR and the decrease for the United Kingdom. After paying tribute to the efforts, sufferings and sacrifices of the Russian people in the second world war, he pointed out that the Soviet Union was not the only country affected, and suggested that the true test of a country's capacity to pay was not so much the continued existence of war damage as the prevailing economic position and trends. 'A factory', he said, 'may still be in ruins as a result of the war, but it may well be that its place has been taken by a very much larger factory'.

Production Increases Claimed by USSR

Sir Alec called attention to the many statements, made by Russian spokesmen, claiming a very rapid rate both of long-term industrial expansion and of recovery from the effects of war. According to statements by M. Malenkov, the post-war switch of industrial production was completed in the course of 1946, the volume of industrial production in 1953 was expected to be about 2½ times that of the pre-war year of 1940, while the industrial production of 1951 was already over 12 times that of 1929. According to the statistical board of the USSR Council of Ministers, the national income of the USSR increased by 11 per cent between 1951 and 1952. According to a recent statement by M. Vyshinsky to the General Assembly, the countries of Eastern Europe had solved the problem of the balance of trade, against which the West struggled in vain.

It was true, he continued, that the economic position of the United Kingdom had also improved very considerably in the past two years. The danger of inflation had been averted, the balance of payments had improved, and productive capacity had increased. The question before the Contributions Committee was, however, relative ability to pay. By this criterion it had decided, after weighing all the evidence, that the Soviet Union should take a larger share of the burden.

The argument that the Soviet Union had difficulty in obtaining foreign currency had no real significance, in view of its great resources and the relatively small size of the contribution required.

Reasons for Progressive Revision of Scales

Explaining the reasons for the previous increases in Soviet contributions, Sir Alec explained that, when the United Nations was first established, the United Kingdom and a number of other countries took an undue share of the cost, out of generosity and the determination to set the United Nations well on its path. The Contributions Committee and the Administrative and Budgetary Committee had felt for some years past that the USSR, in view of its improved position, should take a share of UN expenses more nearly proportionate to its resources and importance, but had decided to achieve this end by gradual adjustments rather than by one immediate increase. In the meantime, the United Kingdom and other Governments had continued to bear more than their share of the expenses of the United Nations, while the United Kingdom also contributed to almost every other beneficent international organization.

In conclusion, he urged that the authority of the Contributions Committee be upheld and its recommendations accepted.

Whale-Marking Expedition

UK-Norwegian Co-operation

The UK Admiralty announced, on 24th October 1953, that a cruise is shortly to take place, in which whales will be marked in the Antarctic to obtain information on their movements, migrations and distribution, and also, it is hoped, on the proportion of the stock which is taken by the whaling industry.

The programme has been planned by Dr. N. A. Mackintosh of the UK National Institute of Oceanography [see *Home Affairs Survey* 19.12.50 Vol. 5 *Science* p.41], in consultation with Professor J. T. Ruud of the Norwegian State Institute for Whale Research, and the expedition is a joint enterprise of these two institutes. Professor Ruud will sail as the scientific officer in charge and will be accompanied by Mr. R. H. Clarke of the National Institute of Oceanography. Mr. Van Utrecht, of the Netherlands Whales Research Group, will sail as a visiting scientist and will assist in the work.

The National Institute of Oceanography in England will act as co-ordinating body and will receive recovered marks, with the information on the date, place, species, sex and size of the whale from which each mark is taken. The Norwegian Institute will be supplied with duplicates of all such material, and both organizations will study the conclusions which can be drawn from it. This, it is stated, is a new experiment in international co-operation in research on whales.

Methods

The marking of fish is a well-established method of research by marine biologists. The method of marking whales is to fire from a 12-bore shot-gun a numbered marker, which lodges in or under the blubber, and to offer a reward for its recovery if the whale should later be killed. Each mark identifies a living whale, and a sufficient number of recovered marks gives a general sample of the migrations and wanderings of whales, from which inferences can be drawn as to the habits of the whale population. The ratio of marks fired to marks recovered is, to some extent, an indication of the rate at which the industry taxes the stock. The marks may also assist in investigations on breeding and growth, and eventually they will show something of the ages to which whales live, for there is no reason why a mark should not be carried by a whale for 100 years or more.

Before the war, over 5,000 whales were marked in the Antarctic during the series of 'Discovery Investigations', under the UK Colonial Office. Some hundreds of these marks have been recovered and have given valuable information on the whales' migrations and distribution. They continue to be recovered in small numbers every year (ten were received in 1953), but although such long-term markings are useful, little marking has been done since the war, and more information is much needed, especially from plenty of short-term recoveries. The *Discovery Investigations* are now part of the National Institute of Oceanography, but, owing to the present high cost of running ships, the Institute cannot now meet the cost of a special marking expedition. For years past, however, there has been contact and collaboration between the *Discovery Investigations* and the Norwegian State Institute for Whale Research, and scientists in Norway, as well as in other countries, have been interested in the

marking of whales. Recently, the International Whaling Commission [see 12.6.52 2d(27)], also, emphasized the importance of this method of research, and a number of whaling companies, of several different nations, have now generously undertaken to contribute to the cost of about five weeks' marking by a catching boat (attached to one of the Antarctic factory-ships) before the opening date of the 1954 whaling season on 2nd January.

The catchers are small high-powered vessels of about 600 tons gross, and the diesel-driven *Enern*, owned by a Norwegian company, will sail from Sandefjord about the 26th October 1953, and reach the Antarctic pack-ice late in November 1953. Marking will continue until Christmas, when the ship will call at South Georgia, in the Dependencies of the Falkland Islands, before joining her factory-ship.

The objects of this expedition are: (1) to increase the number of marked whales at large, and hence to get more representative statistical data from the returns, (2) to compare the rate of taxation of the stock with the rate of earlier years, (3) to test the value of certain modifications of the standard *Discovery* marks, designed by Professor Ruud and his colleagues to improve their effectiveness, (4) to calculate the chances of marks being overlooked in the carcasses of whales when they are cut up at the factory, and (5) to carry out some additional observations on the food of whales and the seas in which they live.

UK Statement on East-West Trade

In reply to a question in the House of Commons on 22nd October, the President of the Board of Trade, Mr. P. Thorneycroft, made the following statement on the subject of East-West trade: 'It is important to see this problem in its right proportions. Even before the war our total trade with the Soviet bloc was only about 6 per cent of our total world trade and since the war it has averaged only about 2 per cent. An expansion in East-West trade would, however, undoubtedly be in our economic interests, provided that it was not made at the expense of the security, either of ourselves or of our friends.'

'Although the security controls are not inflexible, it would not be in our interests to vary them substantially unless or until we are sure that the circumstances which gave them rise have changed. We shall continue to review the controls and, in consultation and agreement with the other countries who are associated with us in this matter, we shall introduce such modifications as may be justified by changing circumstances.'

New UK Travel Allowances

Particulars of the new tourist travel allowances announced by Mr. Butler, UK Chancellor of the Exchequer, to the OEEC Council on 29th October, were given in a UK Treasury statement issued on the same day. The basic UK travel allowance of foreign currency for the year beginning 1st November 1953 will be increased from £40 to £50, the allowance for children under 12 from £30 to £35, and the motor-car allowance from £20 to £25; the motor-cycle allowance will remain at £10. The arrangement, withdrawn in January 1952, whereby all reasonable amounts of currency were granted for *bona fide* travel in Denmark, Norway and Sweden, is restored. These countries are, therefore, removed from the scope of the basic travel allowance. The amount of sterling notes permitted to be taken out of Britain will remain limited to £5 and it will continue to be illegal for UK residents to spend or exchange these notes abroad, other than on a British ship or plane.

The £50 allowance is now available for the following countries:

<i>Europe</i>	<i>Elsewhere</i>
*Albania	*Afghanistan
Austria	Peru
Belgium	Saudi-Arabia
*Bulgaria	Sudan
Czechoslovakia	*Syria
*Eastern Germany	*Tangier
*Estonia	*Thailand
Finland	Uruguay
France	*Yemen
German Federal Republic	
Greece	
*Hungary	
Italy	
*Latvia	
*Lithuania	
Luxembourg	
The Netherlands	
*Poland	
Portugal	
*Roumania	
Spain	
Switzerland	
Free Territory of Trieste	
Turkey	
*USSR	
Yugoslavia	

*Countries newly added to the list.

There are no restrictions on the amounts that can be spent by UK residents in the sterling area. This announcement does not affect travel in the dollar area, where no tourist allowance is available to UK residents.

The tourist allowance was reduced from £50 to £25 on 30th January 1952, owing to balance of payments difficulties, and was increased to £40 in March 1953. At the same time—i.e. January 1952—the unrestricted travel concession to Scandinavian countries, made under the UNISCAN arrangements, was withdrawn. The car allowance was reduced from £20 to £15 in January 1952. In March 1953, it was increased to £20 and the motor-cycle allowance to £10 (formerly £5).

IMCO Convention

Discussions in London

On the initiative of the United Kingdom Government, representatives of the fourteen Governments which have adhered to the Convention for the establishment of the Intergovernmental Maritime Consultative Organization (IMCO), which was drawn up by the United Nations Maritime Conference at Geneva in 1948, met in London on 27th and 28th October. They had been invited to consider what measures they might take to hasten the bringing into being of the organization by a recent resolution of the Economic and Social Council of the United Nations (ECOSOC). Agreement was reached at the meeting on a report to be made to ECOSOC, and on action which the representatives would recommend their Governments to take.

The fourteen Governments are those of Argentina, Australia, Belgium, Burma, Canada, the Dominican Republic, France, Greece, Haiti, the Republic of Ireland, Israel, Netherlands, the United Kingdom and the United States. Adherences are required from seven more Governments to bring the Convention into force.

Decisions

A statement issued by the UK Ministry of Transport and Civil Aviation summarizes the decisions of the meeting as follows:

'The fourteen Governments represented at the meeting joined in expressing their concern at the delay in bringing IMCO into being, and unanimously expressed the view that this "consultative and advisory" organization is urgently required, as a United Nations specialized agency in the maritime field.

'The fourteen Governments noted that the Convention has been ratified by Governments of countries which are widespread geographically, and reflect a variety of interest both as users and providers of shipping. They therefore wholeheartedly commend the Convention to other eligible Governments.

'The Governments represented at this meeting are convinced that an organization with the expert qualifications and continuity of IMCO will be able to solve intergovernmental shipping problems more effectively, and with less expenditure of time and effort, than other bodies or *ad hoc* meetings to which these matters would otherwise fall.

'With this aim, those present at the meeting resolved to recommend to their Governments that their efforts to influence world opinion should be continued and stepped up in mutual consultation, with a view to securing further acceptances of the Convention and thus bringing IMCO into being without delay.'

Britain and European Unity

Statement by UK Foreign Under-Secretary

During a debate in the UK House of Commons on 23rd October on the Council of Europe [a report of which will appear in the next issue], the Joint Under-Secretary of State for Foreign Affairs, Mr. Anthony Nutting, made a statement on United Kingdom policy towards Western Europe, and United Kingdom association with the European Coal and Steel Community and the proposed European Defence Community (EDC).

He recalled that one of the major aims of British foreign policy since the war had been 'to promote the recovery and unity of Western Europe', which, he said, was essential to the prosperity and security of the free world. 'I want to emphasize,' he went on, 'that the recovery and unity of Western Europe cannot be achieved without British partnership and British leadership. Successive Governments in the country have contributed to this essential element of partnership; hence the British lead in setting up first the Brussels Treaty Organization, then the Organization for European Economic Co-operation and the Council of Europe, and finally the North Atlantic Treaty Organization.'

Mr. Nutting pointed out that, as a result of these initiatives, the United Kingdom was now 'linked to Western Europe politically, militarily and economically more closely than ever before'.

UK Links with the European Coal and Steel Community

After referring to the United Kingdom share, through the Eden proposals [see 20.3.52 1g(23)], in providing 'a framework within which the federal communities and the Council of Europe could grow together rather than grow apart', Mr. Nutting briefly described the United Kingdom association with the European Coal and Steel Community. A British delegation consisting of advisers and representatives of industry, trade unions and Government, was in close relationship with the High Authority of the Coal and Steel Community at Luxembourg, by means of a joint committee composed of representatives of the High Authority and the British delegation. The work of the joint committee was supplemented by day-to-day consultation between Sir Cecil Weir, leader of the British delegation, and M. Monnet, President of the High Authority.

Mr. Nutting said that the United Kingdom Government was awaiting from M. Monnet certain proposals for closer relationship, which would be considered carefully and sympathetically 'in collaboration with the fuel and power industries and other Departments concerned' in the United Kingdom.

UK Links with the European Defence Community

Mr. Nutting then summarized the United Kingdom position in relation to the European Defence Community. In addition to the undertakings given by treaty and declaration, to maintain and uphold the European Defence Community when it came into existence [see 29.5.52 1f(69-72)], certain proposals had been made by the United Kingdom for military association, which envisaged closer co-operation in such matters as training, staff-work, standardization of equipment and organization [see 12.2.53 2a(40)]. The UK Government had also made certain proposals for political association between the United Kingdom and EDC, which were still being discussed with the six Governments. Mr. Nutting

[Over]

concluded by repeating his statement made at the Council of Europe Consultative Assembly meeting in September [see 1.10.53 2a(213)], that when the European Defence Community came into force, 'our partnership will be even closer than the relationship that we have with the Coal and Steel Community'.

Discussions on Germany and Austria

In the communiqué issued after the meeting between the Foreign Ministers of France, the United Kingdom and the United States in London from 16th to 18th October, it was stated that the three Foreign Ministers had approved their reply to the Soviet Note concerning discussions on Germany and Austria. Their Notes repeated the earlier proposal for a four-Power meeting of Foreign Ministers and suggested 9th November as the date [see 1a in this issue].

Trieste

UK and US Statements

The developments in Trieste arising out of the joint Anglo-US declaration of 8th October [see 15.10.53 2a(219)] were discussed by the Foreign Ministers of the United Kingdom, the United States and France at their recent meeting in London [see 1a in this issue], and a statement on the situation in Trieste was made by Mr. Eden, the UK Foreign Secretary, in the course of a review of foreign affairs in the House of Commons on 20th October [see below]. A debate on the problem took place in the UK House of Commons on 28th October [see *Appendix III* (roneoed) to *International Survey* No. 139].

The US Secretary of State, Mr. Dulles, said in an interview on 27th October, that the Anglo-US decision on Trieste was aimed at a final peaceful settlement of the problem. The decision to try and solve the problem at this particular time had been taken after a series of conversations, designed to set up a solid strategic front in Southern Europe against the possibility of aggression by the Soviet bloc, had revealed that there could be no solid defence in the area without a solution of the Trieste question. Diplomatic conversations about the possibility of a five-Power conference on Trieste were now proceeding in Belgrade and in Rome, and it was quite possible that, as the arrangements for the withdrawal of troops from Trieste would take some time, the conference could start before the troop withdrawal was completed.

Security Council Discussions

The UN Security Council met on 15th October, at the request of the USSR [see 15.10.53 2a(221)], to consider the question of Trieste. On 19th October a motion to postpone the discussion until 2nd November, to give time for the diplomatic exchanges resulting from the three-Power declaration of 18th October to develop, was adopted by 9 votes to one (USSR) with one abstention (Lebanon).

In the course of the discussion in the Security Council, the Soviet delegate, M. Vyshinsky, insisted that the matter should be considered by the Security Council, because there could be no proper settlement on the

basis of the 'illegal' discussions now taking place. The parties to the dispute were, he said, all the signatories of the Italian peace treaty and not just the five Powers now taking part in the diplomatic exchanges. The Anglo-US decision of 8th October, he insisted, had led to increased tension in the area, and the Security Council should seek fulfilment of the terms of the peace treaty.

The UK delegate, Sir Gladwyn Jebb, recalled that all concerned were trying to solve this critical problem, but that it was at present inappropriate for the Security Council to discuss the implementation of certain terms in the peace treaty, about which it had not been possible to reach any agreement in the past eight years.

The US delegate, Mr. Lodge, told the Council on 15th October that the Anglo-US decision had been a 'good-faith, honest attempt' to increase stability in a very important part of Europe, and to lead to a lasting solution of a most vexing problem. The decision had been reached 'after most careful and deliberate thought', and the Soviet proposal to discuss the matter in the Security Council had been 'but another propaganda device, introduced for the purpose of making as much trouble as possible'.

Mr. Eden's Commons Statement

The Allied troops had entered Trieste in 1945, Mr. Eden said, and the Italian Peace Treaty had been signed in February 1947. Under that Treaty a Free Territory of Trieste had been constituted. It was to be governed under a provisional régime until the permanent Statute could be brought into force. It had been intended that this permanent Statute would be introduced at an early date and would shortly be followed by the withdrawal of British, American and Yugoslav troops. Unfortunately, the permanent Statute had never been introduced, through no fault of the United Kingdom, protracted debates in the Security Council having taken place in which all efforts to secure the appointment of a Governor were frustrated.

'In March 1948,' Mr. Eden went on, 'the three Governments, France, the United Kingdom and the United States, issued the Tripartite Declaration. That Declaration advocated the award of the whole territory, both Zone A and Zone B, to Italy. This has been a dominant factor in the situation ever since.'

'In the years which followed, the United Kingdom and the United States Governments, in conjunction with the French Government, have persistently endeavoured to promote a settlement by conciliation between Italy and Yugoslavia. But nationalist feeling in both countries proved too powerful to permit of a mutually acceptable solution.'

'This was the position when the trouble flared up again in August. Statements and speeches on both sides became more and more violent and the atmosphere dangerously inflamed. Her Majesty's Government and the United States Government consulted together as to how they should deal with this rapidly deteriorating situation. We sought a means to lance this abscess which was poisoning relations between Italy and Yugoslavia.'

'The solution announced on 8th October was admittedly drastic, but it was designed to meet a situation which would have grown more dangerous had we done nothing. It was imperfect in so far as it would leave some Slovenes under Italian administration and some Italians under Yugoslav administration. But . . . repeated attempts to promote agreement on an ethnic basis had failed. The division of the territory along the zonal boundary seemed to be the only practicable course.'

'As we made clear in the announcement of 8th October, our action was expected to lead to a final solution. It was not a solution which we had hopes of inducing either side to accept in advance by negotiation. We knew, too, that it would meet with protest and criticism. But from the discussions and contacts which we had had with both parties over many months, we did feel justified in believing that it was a solution each side could acquiesce in, if under protest.'

'I do not wish today to make any comment on the reaction in Rome and Belgrade. Still less do I want to exacerbate the situation. But I do wish to say that Her Majesty's Government strongly deprecate the movement of troops by either party, which can only increase tension and incite public opinion. Meanwhile, we continue in touch with the United States and French Governments, and also with the Governments of Italy and Yugoslavia If all concerned will recall the overriding need for unity between nations who should be good neighbours, I believe that we can yet find means of bringing both parties to agree to a settlement.'

UK Trade Liberalization Measures

Mr. Butler's Statement at OEEC Council Meeting

At a meeting of the Ministerial Council of the Organization for European Economic Co-operation (OEEC) in Paris on 29th October, the UK Chancellor of the Exchequer, Mr. R. A. Butler, stated that the UK Government had decided to introduce, before the end of 1953, further measures of import liberalization. These new measures would enable the United Kingdom to comply with the general obligation of all member countries of OEEC to free from quantitative restriction 75 per cent of their imports on private account from other member countries¹. The step had been taken in view of the importance attached by Britain to maintaining intra-European trade at the highest possible level.

Details of the proposed new measures would be announced later, together with other particulars of arrangements for imports from member countries during the first half of 1954.

In addition, from 1st November 1953, the travel allowance would be raised, the list of countries in which it was available increased, and the special travel arrangements for Scandinavian countries, suspended in 1952, would be restored.

Making known the UK decision, Mr. Butler pointed out that things were still not easy for the United Kingdom, which was a very substantial debtor to the European Payments Union [see 15.10.53 2a(226)]. The UK Government was, however, anxious to play its full part in European affairs, and thought it right to accept the risks involved to the UK balance of payments in further relaxation of restrictions.

¹The OEEC Code of Liberalization provides that, as from 1st February 1951, member countries shall liberalize (in terms of 1948 trade) 75 per cent of their total imports on private account, and 60 per cent at least, and if possible 75 per cent, of their imports on private account, in each of the three categories: food and feeding stuffs, raw materials, and manufactured goods. After having attained and surpassed the 75 per cent goal, the United Kingdom was obliged, for balance of payments reasons, to reimpose quantitative restrictions in November 1951 and in March 1952. The percentage of United Kingdom trade remaining liberalized was reduced to 44 per cent. On 23rd March 1953, the United Kingdom relaxed these restrictions, thus raising the liberalization figure to 58 per cent [see 26.3.53 2d(7) and 17.9.53 2a(205)].

He suggested that, while all members should reaffirm their adherence to the idea of complete liberalization, each country should, within the next few months, seek to justify to OEEC the quantitative restrictions which it wished, for reasons other than those of the balance of payments, to retain. Then there might be another council meeting before the end of March 1954, to review the results of the process and to take decisions.

For particulars of the new UK travel allowance regulations see 1e in this issue.

North Atlantic Treaty Organization

General Gruenther on NATO and Western Defence

At the Atlantic Community Study Conference held in Copenhagen at the end of August, General Gruenther, Supreme Commander Allied Powers Europe, gave an address which was briefly reported in the account of the conference [see 3.9.53 2a(199)]. A fuller summary of those parts of his speech dealing with the broad strategical concept of NATO and its essentially defensive nature, and surveying the progress made and the tasks ahead, is given in *Appendix I* (roneoed) of *International Survey* No. 139.

6th ATAF Established in Southern Europe Area

It was announced on 8th October at SHAPE that the 6th Allied Tactical Air Force (ATAF) would be established as from 14th October with headquarters in Izmir, Turkey. It will be a subordinate command of Allied Air Forces Southern Europe, staffed with Greek, Turkish and US personnel. It is the first international Allied Tactical Air Force to be organized in the Southern European area and the third air force unit of this type to operate under NATO, the others being the 2nd and 4th ATAFs, both located in Germany [see 1.5.52 1f(63)].

Major-General Robert E. L. Eaton, US Air Force, will command the new organization, which will provide tactical air support for Allied Land Forces South-Eastern Europe. All operations of the 6th ATAF will be co-ordinated with the air defence systems of Greece and Turkey and adjacent NATO commands.

US-Greek Agreement on Bases Signed

It was officially announced on 12th October that, 'in fulfilment of their responsibilities under Article III of the North Atlantic Treaty',¹ an agreement had been signed in Athens between the Governments of Greece and of the United States, 'authorizing the United States to improve and use jointly with the Greek Government, certain airfields and naval facilities in Greece'.

The agreement, which came into force on 12th October, was 'designed to strengthen the security of the North Atlantic area, as well as to maintain international peace and security by facilitating the integration of Greek

¹Article III of the North Atlantic Treaty is as follows: 'In order more effectively to achieve the objectives of this Treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.'

defences, developed over the past five years with American aid¹, into the NATO defence system'. According to the terms of the agreement, there will be consultation between the military authorities of the two countries about the improvement of military installations to be carried out in Greece by the United States according to the recommendations of the NATO authorities.

In a statement issued after the signing of the agreement, the Greek Prime Minister, Field Marshal Papagos, said that the common efforts of Greece and the United States for the safeguarding of peace and democracy now entered a new stage of even closer and more permanent co-operation. 'Defence in this critical sector of the world is strengthened', he declared, 'and NATO's mission is thus achieved in a most positive manner in this area'. The Greek Foreign Minister, M. Stephanopoulos, in a similar statement, added that great economic benefits to Greece would result from the agreement, which would bring additional employment to the country.

Soviet Note of Protest

The Soviet Deputy Foreign Minister, M. Gromyko, handed a Note of protest to the Greek Ambassador in Moscow on 26th October, in which it was alleged that the US-Greek agreement 'testifies that the Greek Government has begun to carry out measures which are directed at the preparation of a new war'. Greek territory was 'changed by this into a foreign military base', which created 'a threat to peace and security in the Balkans' and led to 'a sharpening of the international situation'.

Hawker 'Hunters' for NATO Countries

The Danish Ministry of Defence is at present negotiating the purchase of a large number of British Hawker *Hunter* jet fighters and spare parts from the United Kingdom. The Ministry is expected to spend about one hundred million kroner (approximately £5 million) on the aircraft. The Hawker *Hunter* is one of the seven classes of aircraft given 'super-priority' in the UK defence production programme [see *Home Affairs Survey* 1.4.52 1b(62)].

Hawker *Hunter* jets are also being supplied to other European countries as part of the NATO offshore procurement programme. It was officially reported in August that the Belgian and Netherlands aircraft industries had obtained orders for the manufacture under licence of 460 *Hunters* [see 30.4.53 2a(100)]. Of these, 112 are intended for the United States Air Force, and 156 and 192 for the Netherlands and Belgian Air Forces respectively.

¹The United States first granted economic aid to Greece in 1947 after the United Kingdom Government, owing to the economic difficulties resulting from the war, found itself obliged to reduce its foreign commitments and unable to give Greece any further substantial economic aid. The British Military and Air Force Missions, however, remained to help in the reorganization and modernization of the Greek Army and Air Force until April 1952. The British Naval Mission is still operating in Greece. An account of the military and financial assistance given to Greece by the United Kingdom, during the second world war and during the post-war reconstruction period, will be found in 4.11.49 2a p.19, *Britain and Greece 1939-1949*.

US Offshore Procurement

\$1,596 million in 1952-53

The total value of US offshore procurement contracts placed in Europe under the Mutual Defence Assistance Programme, during the twelve months ended 30th June 1953, was more than \$1,596 million, compared with \$629 million in the previous fiscal year. Announcing these figures on 19th October, the headquarters of the US European Command stated that the country receiving the largest share was France, with \$693 million worth of contracts. The United Kingdom, with \$381 million, and Italy, with \$241 million, received the next largest shares. Portugal, Spain, Turkey and Yugoslavia were given their first offshore procurement contracts under the 1952/53 programme.

Regarding the United Kingdom, it was estimated that dollar payments on existing offshore procurement contracts, during the next three years, could amount to about 20 per cent of normal UK exports to the United States, and that about 20 per cent of the ammunition currently produced in Britain was financed by offshore procurement.

The five categories in which the contracts for the greatest dollar values were awarded in the two fiscal years were:

US FISCAL YEAR 1952/53		US FISCAL YEAR 1951/52	
	\$ thousand		\$ thousand
Ammunition and explosives ..	673,689	Ammunition and explosives ..	193,898
Aircraft and equipment ..	410,037	Ships and equipment ..	146,735
Ships and equipment ..	106,661	Electronic equipment ..	68,102
Vehicles (other than transport)	82,563	Aircraft and equipment ..	32,438
Electronic equipment ..	71,013	Engineering equipment ..	6,019

The dollar values of the contracts awarded to each country were as follows:

US FISCAL YEAR 1952/53		US FISCAL YEAR 1951/52	
	\$ thousand		\$ thousand
France	693,435	France	332,352
United Kingdom	381,211	Italy	141,261
Italy	240,996	United Kingdom	68,898
Belgium	89,114	Netherlands	39,048
Netherlands	52,477	Belgium	18,110
Switzerland*	50,195	Greece	10,815
Greece	23,132	German Federal Republic	6,621
Portugal	18,261	Denmark	5,922
Norway	16,822	Norway	5,733
Denmark	9,684	Luxembourg	193
Turkey	8,494	Switzerland*	11
Yugoslavia	5,390		
German Federal Republic	3,804		
Spain	2,722		
Luxembourg	344		
TOTAL	\$1,596,071	TOTAL	\$628,964

*Switzerland does not participate in the US Mutual Security Programme. The 1952-53 sum represents ordinary commercial contracts mainly sub-contracted in France.

Brussels Treaty Cultural Co-operation

Conference on University Problems

University vice-chancellors, professors and administrators from the five Brussels Treaty countries—Belgium, France, Luxembourg, the Netherlands and the United Kingdom—met at the Hague from 28th September to 7th October, to confer on problems of university education and the means of strengthening contacts between the universities of the five countries. Plans were compared on the reorganization and development of university education in each of the five countries. Among problems discussed were: the possibility of giving science students a greater awareness of the humanities, and arts students a sufficient appreciation of scientific developments, questions connected with financial assistance for students and for universities, and relations between universities and Government departments.

The conference also considered how contacts between the universities might be developed further, by facilitating visits by university staffs to the universities of the Brussels Treaty countries, by providing financial assistance to students wishing to continue their studies at a university of one of the other countries, and by assembling information on post-graduate work in the five countries. Complete information has already been provided by the Brussels Treaty Organization on the secondary school-leaving diplomas of each of the five countries, which, for university entrance purposes, have now been accepted as equivalent to their own by the other four.

United Kingdom and Luxembourg

Reciprocal Agreement on Social Security

A reciprocal agreement on social security between the United Kingdom and the Grand Duchy of Luxembourg was signed on 13th October by Mr. Osbert Peake, UK Minister of Pensions and National Insurance, and M. Nicholas Biever, Minister of Labour and Social Security for Luxembourg.

The agreement will enable national insurance pensions and industrial injuries benefits to be paid in Luxembourg, while the corresponding benefits of the Luxembourg social insurance schemes will become payable in the United Kingdom. It will also enable national insurance contributions paid in both countries to be taken into account for the purpose of benefits in either country.

The agreement is subject to ratification and is expected to come into operation in the summer of 1954.

Palestine and the United Nations

Security Council Considers Frontier Questions

The UN Security Council on 19th October began consideration of two questions relating to frontier disputes, arising out of the Armistice Agreements concluded in 1949, between Israel and four neighbouring Arab States : Syria, Lebanon, Jordan and Egypt.

ISRAEL-SYRIAN DISPUTE OVER JORDAN WATERS

On 16th October, the Syrian Government requested the Security Council to consider, as a matter of urgency, what Syria described as 'a flagrant violation' by Israel of the Armistice Agreement between the two countries. The complaint was specifically directed against a current Israel project to divert waters of the River Jordan in the demilitarized zone, established by the armistice agreement of 20th July 1949, between the two States.

Facts Before the Council

On 2nd September the Israel Government started, in the demilitarized zone south of Lake Huleh, works designed to divert water from the River Jordan for irrigation and hydro-electric purposes. The matter was referred to Major-General Bennike, the UN Chief of Staff of the Truce Supervision Organization, who thereupon inspected the situation on the spot and heard the views of both sides. His decision was that, in the absence of an agreement, a party to the armistice should not carry on, in a demilitarized zone, work prejudicing the objects for which the zone had been established. These objects are laid down, in Article V (2) of the Israel-Syria Armistice Agreement, as being the separation of the armed forces of both parties 'in such manner as to minimize the possibility of friction and incident, while providing for the gradual restoration of normal civilian life in the area of the demilitarized zone, without prejudice to the ultimate settlement'¹. General Bennike accordingly called upon the Israel Government to ensure the stoppage of this work, so long as an agreement had not been arranged. The Syrian Government's complaint related to Israel's non-compliance with this ruling, and to the violation by Israel of the armistice agreement by infringing the rights of the inhabitants of the demilitarized zone, by preventing Syrian use of Jordan waters for irrigation, and by military occupation of the sector in question of the zone.

Israel Agrees to Suspend Work

On 28th October, while the Security Council was considering the Syrian complaint, the Israel representative, Mr. Eban, announced that his Government had agreed to a temporary suspension of work in the demilitarized zone to facilitate the Council's consideration of the matter. The Israel offer was unanimously accepted by the Council. Dr. Malik (Lebanon), said that he was grateful for this conciliatory gesture by the Government of Israel, and congratulated Israel on making it.

On the same day, President Eisenhower announced that the allocation to

¹The full text of this Armistice Agreement (with map) was published by the United Nations as *Special Supplement No. 2 to the Security Council Official Records* (fourth year), Document S/1353/Rev. 1.

Israel of fresh economic aid under the latest Mutual Security appropriations, which had been deferred by the US Government on 20th October, would now be resumed as a result of the Israel Government's offer.

ISRAEL-JORDAN BORDER INCIDENTS

The second item was brought before the Security Council by the Governments of France, the United Kingdom, and the United States, jointly on 17th October. This action was decided upon at the meeting of the Foreign Ministers of the three States in London from 16th to 18th October. In their joint communiqué issued on 18th October [for text see 1a in this issue], the three Foreign Ministers 'noted with grave concern the recent incidents culminating in the Israeli armed action of 14th October in Qibya' [see below for details], recalled the terms of the Tripartite Declaration of 25th May 1950 [see 2.6.50 2e p.9], and announced their submission of the matter to the UN Security Council.

UK Views on Threat to Security in Palestine

The Council started discussion of this question on 19th October. During the course of the discussion on the wording of the agenda item, Sir Gladwyn Jebb (UK) pointed out that the UK Government were seriously perturbed by the recent incidents along the Israel-Jordan armistice demarcation line. Such incidents, and in particular the recent series which culminated in that at Qibya, represented a grave threat to the security of the area, and could not be allowed to pass unnoticed by the Council. He then referred to reports of autumn manoeuvres by Israel forces and the deployment of Jordan forces on the west bank of the Jordan. But if the Council was to deal with the matter it should first have a report from General Bennike. The Council could then go into the whole affair in detail and try to arrive at constructive proposals. For the moment it could only register its grave concern, and urge Jordan and Israel to do all they could to avoid further incidents and to reduce the tension.

Security Council Adopt Agenda

On 20th October, the Council agreed to place as a matter of urgency the Anglo-French-US request on its agenda in the following terms:

The Palestine Question. Compliance with and enforcement of the General Armistice Agreements, with special reference to recent acts of violence and, in particular, to the incident at Qibya on 14th-15th October. Report by the Chief of Staff of the Truce Supervision Organization.

General Bennike presented a written report to the Council on 27th October, and began his oral statement to the Council on 29th October.

Recent Events on the Israel-Jordan Border

According to the report presented by General Bennike to the Security Council, the village of Qibya, which lies within a large salient of Jordan territory nearest to the Israel port of Tel Aviv, was raided on the night of 14th-15th October by organized Israel armed forces, estimated at a strength of 250-300 men, using mortars and bombs. During the raid, which had been described by the UN Mixed Armistice Commission [see below] on the spot as 'cold-blooded murder', 53 Arabs were killed and 40 houses destroyed. General Bennike quoted the memorandum from the acting chairman of the Mixed Armistice Commission, as stating that 'evidence noted indicated the raid was well planned, and carried out by men expertly trained in the fundamentals of sudden and sustained attack'. The memorandum also noted that the approach to these Jordanian villages from inside Israel was through an area protected by Israel military forces,

and no groups of the size employed at Qibya could move into the area or withdraw undetected.

General Bennike added, however, that an incident in the Israel village of Yahude, which resulted in the death of a woman and her two children, 'may have provoked the attack on Qibya 48 hours later'.

So far this year, he reported, the Military Armistice Commission had condemned Jordan for 20 and Israel for 21 violations of the armistice agreement. United Nations investigations showed that 10 Israelis and 55 Jordanians had been killed in the raids and counter-attacks. General Bennike also quoted other (and higher) figures of casualties alleged by the two States.

UK Foreign Office Statement

A spokesman of the UK Foreign Office stated on 16th October that the UK Government took 'a most serious view of the recent incident, in which Israel forces have attacked three villages in Jordan, inflicting considerable casualties. In Her Majesty's Government's view there is no possible justification for the action of the Israel armed forces, which has been condemned by the Mixed Armistice Commission. This attack constitutes the gravest violation so far of the terms of the Armistice Agreement, and will only endanger peace in the area. Her Majesty's Ambassador in Tel Aviv has been instructed to express to the Israel Government the horror of Her Majesty's Government at this apparently calculated attack. Her Majesty's Government expects the Israel Government to bring to justice those who are responsible, and to take measures to compensate the victims'.

The Palestine Armistice Agreements and Supervision Arrangements

The terms of the four separate armistice agreements between Israel and Egypt, Jordan, Syria, and Lebanon, are largely identical, though they differ on certain points; for example, no demilitarized zones were created between Israel and Jordan or Lebanon.

Each of the agreements drew a demarcation line between Israel and her neighbours, beyond which armed forces of the two respective parties should nowhere advance, such lines being without prejudice to an ultimate territorial settlement between the parties.

The agreements between Israel and Syria and Israel and Egypt also established demilitarized zones, in the latter case round El Auja (near Gaza), and in the former along the course of the River Jordan, from south of Lake Tiberias to north of Lake Huleh, from which armed forces of the parties were totally excluded.

The armistice agreements provided for supervision of their execution by four Mixed Armistice Commissions, one for each agreement, composed in the case of Egypt of three representatives of each party, and in the case of Jordan, Syria and Lebanon of two representatives of each party, with, in every case, a United Nations chairman.

The United Nations Chief of Staff of the Truce Supervision Organization (TSO) is *ex officio* chairman of the four commissions. The TSO is a body of neutral observers, originally set up by the late Count Bernadotte to supervise the truces which preceded the armistice. It has been retained as a corps of observers to assist the Mixed Armistice Commissions in their work.

The Mixed Armistice Commissions decide questions connected with the execution and interpretation of armistice terms, their decisions being

taken as far as possible unanimously, but otherwise by majority vote. The Mixed Armistice Commissions also deal with claims or complaints presented by either party. It was laid down that 'the Commission shall take such action, on all such claims or complaints, by means of its observation and investigation machinery, as it may deem appropriate, with a view to an equitable and mutually satisfactory settlement'. The members of Mixed Armistice Commissions and their observers were to be accorded the maximum possible freedom of movement and access in all areas covered by the armistice agreements.

In the agreements between Israel and Egypt, but not in the other three agreements, there is a clause providing for an appeal 'on questions of principle' against the Mixed Armistice Commission's decisions to a special committee, composed of the UN Chief of Staff of the Truce Supervision Organization and one representative of each of the Parties, such appeal to be lodged within one week from the date of the decision in question.

The Mixed Armistice Commissions have to submit to the Parties reports, as deemed necessary, on their activities, with a copy for the UN Secretary-General. It is, however, open to a Party to by-pass the Mixed Armistice Commission in a case which it claims endangers maintenance of international peace, and to submit the matter to the Security Council.

An account of the origins and development of the Palestine question, and of United Nations action on it, will be found in Reference Paper R.2509 of 5.12.52 (I.1a) PALESTINE AND THE UNITED NATIONS.

Anglo-Persian Relations

Mr. Eden's Statement

During the course of a statement to the House of Commons on 20th October, Mr. Anthony Eden, UK Secretary of State for Foreign Affairs, referred to relations between Persia and the United Kingdom.

He hoped, he said, that a new chapter had opened in Persia. The UK Government wished 'sincerely to extend once more the hand of friendship' to the new Persian Government and to the Persian people. The Persian Government were, Mr. Eden continued, already aware that 'we are ready to resume diplomatic relations; if this can be done it will be easier for us to discuss together the complex problem of Persian oil. I should like to say that the United States Government are working very closely with us in these matters'.

Recent Developments

The improvement in Anglo-Persian relations since the coming to power of Marshal Zahedi's Government [see 20.8.53 2b(57)] has recently enabled the UK Government to arrange for the delivery at the earliest possible date of 24 locomotives ordered in 1951 and urgently needed by the Persian railways. The UK Government have also offered facilities for completion of payment for the order over a period of years.

The Persian Government have decided to allow the Church Missionary Society (an Anglican organization) to reopen their hospital at Isfahan, which was closed by Dr. Mussadiq's Government earlier this year. They have also allowed the Reverend Norman Sharp, a British subject, whose expulsion was ordered by Dr. Mussadiq, to return to Shiraz to continue his missionary work there.

The United Nations and Korea

Meeting of Representatives at Panmunjom

On 20th October the Chinese People's Government replied to the US Government's Note of 13th October [see 15.10.53 2c(98)] regarding a meeting between representatives of the United States, China and North Korea to discuss the Korean political conference. The Chinese Government, while agreeing that meetings of the representatives should start at Panmunjom on 26th October, rejected the US Government's interpretation of the statements made by General Nam Il at the time of drafting of Paragraph 60 of the Korean Armistice Agreement, and maintained its contention that the Korean political conference, when held, should have 'the participation of neutral nations concerned, especially Asian neutral nations concerned, apart from the two belligerent sides concerned'.

Representatives Discuss Agenda of their Meeting

The representatives duly began their talks at Panmunjom on 26th October. The US representative, Mr. Arthur Dean, who was acting on behalf of all the 16 UN member-States which have forces with the UN Command in Korea, as well as on behalf of the Republic of Korea, was accompanied by Cho Chung Hwan, South Korean Vice-Foreign Minister, as an observer. The Chinese representative was Huang Hwa, and the North Korean representative Ki Sok Bok. The only point discussed by the representatives up to 29th October concerned the order in which to take up the principal matters for settlement: the time and place of the conference and its composition.

Chinese and North Korean Views

Both the Chinese and North Korean representatives took the view that the most important question to be settled at Panmunjom was that of composition and that neutral nations should participate in the conference. The North Korean representative proposed that the agenda should consist of: firstly the question of composition, secondly that of time and place and, subsequently, procedural, administrative and financial matters.

United Nations Views

Mr. Dean (US), in support of his proposal that arrangements for the time and place of the political conference were the first item that should be discussed, stated that the intention of the delegates to the armistice talks had clearly been to confine membership of a political conference on Korea to the belligerents. Moreover, he had no authority from the UN General Assembly or from any other source to discuss and settle the question of the composition of the political conference.

On 29th October Mr. Dean pointed out that, in discussing the order of the agenda during the previous three days, the representatives had in fact discussed the contentious question of composition. He therefore proposed that they should now agree to discuss the time and place of the conference and then revert to the question of composition.

The text of the part of the communiqué issued after the conference of the French, UK and US Foreign Ministers in London on 18th October, dealing with Korean and general Far Eastern questions, will be found in 1a in this issue.

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Prisoners of War

Speaking in a foreign affairs debate in the UK House of Commons on 20th October, Mr. Eden, UK Foreign Secretary, referred to the substantial progress achieved in dealing with the exchange of prisoners of war who desired repatriation [see 17.9.53 2c(88)]. A beginning had been made in settling the future of the remaining prisoners [see 15.10.53 2c(98)]. Mr. Eden then paid a tribute to the part played by the Neutral Nations Repatriation Commission and, in particular, by the Indian chairman, General Thimayyat, and by the Indian troops under the command of General Thorat. 'With exemplary tact and patience', said Mr. Eden, 'they have controlled the turbulent prisoners, and are carrying through the first stages of the difficult process of explanations, as provided for in the Armistice Agreement' [see 11.6.53 2c(50)].

Commonwealth Forces in Japan

Agreement on Jurisdiction

On 26th October, representatives of the Governments of Japan, of the United States acting as the UN Unified Command in Korea, and of certain nations which have sent forces to Korea in accordance with UN resolutions on Korea, signed a Protocol relating to the exercise of criminal jurisdiction over members of UN forces in Japan. The provisions governing this matter are set forth in an Annex to the Protocol, and it was agreed that the provisions of the Annex should be integrated with a general agreement regarding the status of the UN forces in Japan, when such an agreement was concluded. The Protocol came into force on 29th October in respect of all the present signatories, which include all Commonwealth countries with forces in Korea, but is subject to the approval of the Governments concerned.

In substance, the Annex provides that:

1. The right to exercise jurisdiction over members of UN forces in Japan shall lie with:
 - (a) the military authorities of the sending State over persons subject to that State's military law, in respect of offences punishable by the law of that State, but not by Japanese law;
 - (b) the Japanese authorities for offences committed in Japan and punishable by Japanese law, but not by the law of the sending State concerned.
2. In cases where both Japan and the sending State have concurrent rights of jurisdiction, the latter shall lie primarily:
 - (a) with the military authorities of the State in whose forces the persons accused are serving, in cases of offences against the security of that State, or offences against the property or persons of other nationals of that State, or offences arising out of official duties.
 - (b) with Japan in all other cases.
3. There shall be full co-operation between Japanese authorities and the military authorities of the other States concerned, in arresting persons belonging to the UN forces, and in carrying out investigations, etc., relating to offences.

4. Members of UN forces who become subject to Japanese jurisdiction shall be promptly and speedily tried, they shall have a right to legal representation, and such persons shall have the right of communication with representatives of their own country.
5. The policing of UN forces' installations shall be in the hands of regular military units of the UN forces, who can also, as necessary and by arrangement with Japan, maintain discipline among the members of UN forces outside the UN forces' installations.

UK Statement

Replying to a question in the House of Commons on 27th October, Mr. Anthony Nutting, Parliamentary Under-Secretary of State for Foreign Affairs, stated that the signature of the Protocol 'brings all forces under United Nations command, including those of the United States, on to the same footing. Our forces in Japan will, in practice have substantially the same status as that to be enjoyed by our forces in the territories of our NATO partners and by the forces of other NATO countries in the United Kingdom'.

Chinese Attack on RN Launch

Further UK Note

A second Note, concerning the attack, on 9th September, on a motor launch of the Royal Navy by an armed Chinese vessel [see 17.9.53 2c(94)], was delivered to the Chinese People's Government on 16th October by the UK Chargé d'Affaires in Peking.

The UK Government categorically rejected allegations concerning the incident, made in a letter of 29th September from the Chinese People's Government. The Chinese People's Government had alleged that the Royal Navy launch had flown no national flag and had launched a surprise attack on the Chinese vessel, and that two British aircraft had attacked the Chinese vessel. A full investigation, the UK Note stated, had shown these allegations to be without foundation. The launch had flown the White Ensign throughout the incident, she had not fired a single shot, and the two RAF aircraft which came to her assistance had not fired at the Chinese vessel, their guns being unloaded at the time.

It was clear, the Note continued 'that no provocation was given by the launch and that there were no grounds for the Chinese vessel to question her identity or suspect her intentions'. The UK Government, therefore, reaffirmed its strong protest, held the Chinese People's Government responsible for the loss of life and damage inflicted, and demanded payment of £20,000 compensation for the casualties and damage caused.

Pharmaceutical Industry in Burma

Aid from UK Firm

On 21st October 1953, Evans Medical Supplies Ltd., a firm of UK pharmaceutical manufacturers and traders, and the Government of Burma, signed a seven-year agreement in London under which the former will establish a pharmaceutical industry in Burma. At present,

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all Burma's drug supplies are imported and the Government is anxious to set up a local industry in connection with its plans for a national health service.

Evans Medical Supplies Ltd. is to advise on the selection of architects and consulting engineers and on the design and lay-out of a factory to be built near Rangoon, act as purchasing agent for all plant and equipment required, and provide technical staff to manage and control the factory until Burmese nationals have been trained to take over. The initial and working capital is to be provided by the Government of Burma.

For an account of the scale and achievement of the UK pharmaceutical industry see R.2516 (H. 2f) 11.12.52, THE UNITED KINGDOM PHARMACEUTICAL INDUSTRY.

Morocco and Tunisia

UN Proceedings

The Political Committee of the UN General Assembly concluded its consideration of the Moroccan and Tunisian Questions on 19th and 26th October, respectively.

Morocco

The Political Committee on 19th October concluded its debate [see 15.10.53 2d(18)] on two draft resolutions, tabled by the representatives of Brazil and of the 13 nations of the Arab-Asian group, respectively.

The Arab-Asian draft resolution, which sought *inter alia* to call for Moroccan independence within five years, was rejected on 19th October by 28 votes against to 22 in favour, with 9 abstentions.

The draft Bolivian resolution, as finally amended, recalled and endorsed the provisions of the General Assembly's resolution of 19th December 1952 [see 12.1.53 1b(6)], noted that the objectives of that resolution had not been fulfilled, recognized 'the right of the people of Morocco to complete self-determination in conformity with the [UN] Charter', and again appealed for a reduction of tension in Morocco.

This resolution was approved by the Political Committee on 19th October by 31 votes in favour to 18 against, with 9 abstentions.

Tunisia

The Political Committee considered the Tunisian Question from 21st to 26th October. The item had been tabled by the same 13 Arab and Asian nations which had sponsored the Moroccan item. The French delegation did not attend the debate, on the grounds that it would interfere in a matter which was essentially within the domestic jurisdiction of France.

The debate in the Committee centred round a draft resolution sponsored on 22nd October by the 13 countries of the Arab-Asian group.

On 26th October, this draft resolution, which recommended that 'all necessary steps be taken to ensure the realization, by the people of Tunisia, of their rights to full sovereignty and independence', was approved by 29 votes in favour to 22 against, with 5 abstentions. The US representative, Mr. David W. Wainhouse, said that the United States looked forward to increased self-government in Tunisia, but was convinced that this should be attained by harmonious agreement between France and Tunisia. The present resolution was not likely to advance this objective.

The resolutions adopted by the Political Committee on both the Moroccan and the Tunisian Questions will require a two-thirds majority for final adoption by the UN General Assembly in plenary session.

Previous Developments in the United Nations

The questions of Morocco and Tunisia, which placed themselves under French protection by treaties in 1912 and 1881-83, respectively, were put on the agenda of the seventh session of the UN General Assembly in September 1952 [see 18.9.52 1c(24)].

Both questions were discussed by the Assembly's Political Committee in December 1952 [see 11.12.52 1h(140) and 31.12.52 1h(147)]. During

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these discussions, the United Kingdom point of view on both questions was stated by Mr. Selwyn Lloyd, UK Minister of State. Resolutions, expressing the hope that the parties in question would continue negotiations on an urgent basis, were adopted by the General Assembly in December 1952 [see 12.1.53 1b(6)].

A request that the situation in Morocco should be placed on the agenda of the Security Council, as a threat to international peace and security, failed in September to secure the necessary seven votes for inclusion [see 17.9.53 2d(16)].

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United Kingdom Foreign Policy

The Queen's Speeches and UK Commons Debate

The policy of the UK Government in international affairs was referred to in the Queen's Speech on the prorogation of the UK Parliament, which was read to the House of Lords by the Lord Chancellor and to the House of Commons by the Speaker on 29th October, and in that on the opening of the new session of Parliament, which was delivered by Her Majesty in person on 4th November [see also *Home Affairs Survey* 10.11.53 1a(51)].

In the course of the debate on the address in reply to the Queen's Speech, a wide range of foreign affairs was discussed and a number of statements were made by UK Ministers. For Sir Winston Churchill and Mr. Eden on East-West relations, the Soviet reply to the proposal for a four-Power conference and Soviet foreign policy, see 1a(83); for Mr. Nutting on the United Nations and on disarmament, see 1c(20); for Mr. Eden and Mr. Nutting on the European Defence Community (EDC) and German rearmament, see 2a(235); for Mr. Eden and Mr. Nutting on Egypt, and Mr. Eden on the Sudan, see 2b(72); and for Mr. Eden on Korea, the Franco-Laotian Agreement and relations with China, see 2c(104).

THE QUEEN'S SPEECH ON THE PROROGATION OF PARLIAMENT

The references to foreign affairs in the Queen's Speech on the prorogation of Parliament were as follows:

'My Government have continued their wholehearted support of the United Nations.

'In Korea my Forces played a notable part in the successful resistance to aggression. My Government have continued to work with others in seeking a peaceful settlement of the Korean problem, and I received with deep thankfulness the news of the armistice which brought the fighting to an end

'My Government have continued in the North Atlantic Treaty Organization to develop the combined strength of the West.

'My Government have given full support and encouragement to the promotion of European unity and prosperity. They have offered to enter into close political and military relations with the European Defence Community and have continued to take a leading part in the work of the Organization for European Economic Co-operation.

'My Government and the Governments of France and the United States have renewed their invitation to the Soviet Government to a meeting to discuss the problems of Germany and Austria.

'My Government have been discussing with the Egyptian Government means of settling the differences between the two countries, while safeguarding the security of the Middle East and the Suez Canal.

'My Government have signed with the United Kingdom of Libya a Treaty of Friendship and Alliance, which provides for mutual defence and recognizes the common interest of the two countries in the maintenance of international peace and security.'

THE QUEEN'S SPEECH ON THE OPENING OF PARLIAMENT

The references to foreign affairs in the Queen's Speech on the opening of the new session of Parliament were as follows:

'My Government will continue to regard the relaxation of international tension and the preservation of peace as prime objects of their policy. To this end they are persisting in their efforts to bring about an early meeting between the Soviet Union and the three Western Powers.

'My Government will continue to take their full part in all efforts by the United Nations to promote international co-operation. The North Atlantic Alliance is fundamental to my Government's policy and they will do their utmost to keep it vital and strong.

'My Government are resolved to work constantly in harmony with the Government of the United States of America. They will also continue to co-operate with their partners in Western Europe to promote European unity and economic well-being. They hope to see the early establishment of the European Defence Community and will afford it all possible support.

'My Government will continue to work for a settlement of the problem of German unity, in conjunction with the Governments of France and the United States and in consultation with the German Federal Government. They will also maintain their efforts for the conclusion of an Austrian State Treaty.

'Though the fighting has ceased in Korea, my Forces have still a part to play there under the United Nations Command. My Government are co-operating in efforts to bring about a political conference on Korea.

'My Government hope for a renewal of those friendly relations which have been traditional between this country and Persia, and for an early resumption of normal diplomatic relations between the two countries.'

East-West Relations

Sir Winston Churchill's Review

In the UK House of Commons, in the debate on the Address in reply to the Queen's Speech, Sir Winston Churchill described the world outlook as 'less formidable but more baffling' than two years ago. While the main structure of the position had been maintained, there had been two dominant developments which had somewhat veiled and, it might be, actually modified, the harshness of the scene—these were the end of the fighting in Korea and the death of Stalin.

Possible Changes in the Russian Outlook

Everywhere the question had been, and still was, asked, did the end of the Stalin epoch lead to a change in Soviet policy. Was there a new look? Without suggesting that anyone could be asked to adopt positive conclusions, he thought it well might be that there had been 'far-reaching changes in the temper and outlook of the immense population, now so largely literate, who inhabit "all the Russias", and that their mind has turned to internal betterment rather than external aggression'. This might or might not be a right judgment, but, he went

on, 'we can afford, if vigilance is not relaxed and strength is not suffered to dwindle, to await developments in a hopeful and, I trust, helpful mood'.

The only sure guide, he continued, to the actions of mighty nations and powerful Governments was a correct estimate of what were, and what they considered to be, their own interests. Applying this test he felt a sense of reassurance. 'Studying our strength and that of Europe under the massive American shield, I do not find it unreasonable or dangerous to conclude', he said, 'that internal prosperity rather than external conquest is not only the deep desire of the Russian peoples but also the long-term interest of their rulers.'

Sir Winston said that it was that view that had led him to propose a meeting of the heads of the principal States and Governments concerned with the new leaders of Russia, and he still hoped that such a meeting might have a useful place in international contacts. He did not overlook, however, the possibility of such a conference 'ending in a still worse deadlock than exists at present'. They were not likely to get settled straight away, and laid to rest, all the problems that existed in the East as well as in the West, and that existed in Germany and in all the satellite countries. 'Time will undoubtedly be needed—more time than some of us here are likely to see.'

Implications of Atomic Warfare

Sir Winston then referred to a third factor, the development, over the last two years, of atomic warfare and the hydrogen bomb. In spite of the continual growth of weapons of destruction such as had never fallen before into the hands of human beings, he believed that they were justified in the feeling that there had been a diminution of tension, and that the probabilities of another world war had diminished, or at least had become more remote. 'Indeed', he said, 'I have sometimes the odd thought that the annihilating character of these agencies may bring an utterly unforeseeable security to mankind.' A war which began by both sides suffering what they dreaded most—and that was undoubtedly the case at present—was less likely to occur than one which dangled the lurid prizes of former ages before ambitious eyes. Sir Winston concluded by reiterating the need for untiring vigilance. 'We, and all nations', he said, 'stand, at this hour in human history, before the portals of supreme catastrophe and of measureless reward. My faith is that in God's mercy we shall choose aright.'

Mr. Eden on Soviet Policy

In his speech in the UK House of Commons on 5th November, in the debate on foreign affairs following the Queen's Speech, Mr. Eden, Secretary of State for Foreign Affairs, described as the essential question the possibility of easier relations between East and West, and went on to ask 'What do we know of Soviet intentions?' Under Stalin, he said, the Soviet effort had been largely concentrated on preparedness for war. They had been ever wary to exploit weaknesses in the non-Soviet world and to undermine, penetrate and overthrow any weaker brethren. The policy of unity and strength among the Western nations had provided an increasingly effective barrier against these methods. It had been a successful policy. It had held the dykes in Europe and had kept the peace.

He then went on to examine whether the position had changed. The new Soviet programme for the development of agriculture and for the

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production of more consumer goods was a promise of better conditions for the Soviet people, which he hoped would be fulfilled. As a small example of relaxation of tension he quoted the settlement of several small questions affecting Anglo-Soviet relations, which had, some of them, been outstanding for many years. Describing this as 'encouraging, as far as it goes', Mr. Eden then pointed out that, against it, it was hard to find any sign that the Soviet Government had modified their fundamental hostility to the Western nations. Their propaganda continued just as before. He illustrated this by reference to the recent meeting of the World Federation of Trade Unions (WFTU) in Vienna, at which it had been made clear that the Communist offensive against the democratic Powers was to be intensified 'through strikes, through the fomenting of anti-American feeling and the exploitation of colonial unrest'.¹ He referred also to the recent acts of religious persecution and the denial of human rights in the countries behind the Iron Curtain [see 15.10.53 1e(74)]. After the death of Stalin, he said, there had been some evidence of lighter control but there now appeared 'a new period of oppression'.

His conclusion was that, while continuing to hope for, and to watch for, a change of heart and for any opportunity to relax the tension, 'we have to persevere with our defensive arrangements, upon which our very life depends'.

Russian Note Ignores Lugano Invitation

On 3rd November the Soviet Government sent a reply to the Notes of the three Western Powers of 18th October, in which they had suggested a four-Power meeting of Foreign Ministers at Lugano on 9th November to discuss Germany and Austria [see 29.10.53 1a(78)]. The Soviet reply did not specifically mention the invitation, but made counter-proposals for a five-Power meeting and laid down a number of pre-conditions which, in effect, asked for the abandonment of the defence arrangements on which the Western Powers had been building their collective security, and their plans for bringing Western Germany into this security. A summary of the text is given below.

SUMMARY OF THE SOVIET NOTE

After confirming receipt of the UK Note of 18th October, the Soviet Note of 3rd November complained of the recent meeting of the Foreign Ministers of the United Kingdom, the United States and France [see 29.10.53 1a(80)], which was said to represent 'separate collusion among the three Powers' and to make more difficult the settling of international tension at a time when, 'in view of the conclusion of the Korean armistice, favourable conditions for this have been created'.

¹The World Federation of Trade Unions [see R.2232 *Guide to International Organizations, Part II, Non-Governmental*] held its third World Congress in Vienna between 10th and 21st October. A policy of militant action to enforce specifically political demands was approved. Affiliated unions were directed to 'fight at the head' of the 'struggle for national independence', which was intended to unite the working class, the petite bourgeoisie and the peasantry, in a new united front in opposition to 'American imperialism' and 'colonial oppression'. During the Congress particular attention was paid to colonial policy, and it was declared that colonial unions were to plan the formation of broad national fronts and to formulate in each territory precise economic plans for land reform, the nationalization of foreign business and industrialization. The carrying out of these reforms would depend on 'national liberation and the abolition of all imperialist and colonial rule', and the Congress expressed solidarity with the peoples of 'Malaya, the Philippines, Kenya . . . Morocco, Tunisia, and all other countries engaged in the struggle against the brutal and bloody repression of the imperialists'.

A Settlement in the Far East

The relaxation of tension in international relations, the Note however continued, depended on several factors, among them 'the settlement of the question of relations with the People's Republic of China, the restoration of China's legitimate rights in the United Nations Organization, and her participation in settling the main questions affecting the maintenance of peace and the security of the nations.' A favourable outcome of the Korean conference was 'bound up to no small degree with the recognition of the rights and legitimate interests of the Chinese people in the settlement of other international problems', and there was an urgent need to convene a five-Power conference for the relaxation of international tension and for a discussion of the situation in South-East Asia and in the Pacific.

The Problem of Germany

With regard to the question of Germany, the Note reasserted the contention of the USSR that the first step toward the restoration of German unity must be the formation of 'a democratic all-German Government'. The often-repeated UK request that free elections should be allowed to take place throughout Germany was again dismissed, on the grounds that 'before such an all-German Government is formed, it is impossible to ensure the holding of really free all-German elections, and it is impossible to ensure the solution of the main tasks laid down in the Potsdam agreement of the four Powers, to facilitate the restoration of Germany as a democratic and peaceful state'.

Demand for the Dismantling of NATO Bases

Meanwhile, the Note continued, the German problem could not be considered apart from that of 'the ever-growing network of American military bases on the territory of certain European states', in North Africa, in the Middle East and in 'Iran in particular'. It was alleged that 'the coming into force of the Paris and Bonn agreements would mean that West German militarization would develop at full speed. And then, as the bitter experience of the peoples of Europe testifies, the West German revenge-seekers would cease to accept many of the clauses of these agreements. They would then do their utmost to draw those taking part in these agreements into adventures which would help them to begin a war for the realization of their criminal revenge-seeking aims.' The 'American bases' were said to be for aggressive purposes and to have 'nothing in common with the tasks of the defence of the countries participating in the North Atlantic bloc'. They created a threat to the security of the Soviet Union, 'a threat which leads to a further sharpening of tension in the international situation and increases the danger of a new world war'.

It was then stated that 'settlement of the German problem in conformity with the interests of ensuring European security, is indissolubly linked with the settlement of the question of putting an end to these military bases', and that ratification of the Paris and Bonn agreements 'will make the restoration of Germany as a united state impossible, and thus also make pointless a discussion of the German problem at a conference of the Foreign Ministers of the four Powers'.

The Austrian Treaty

In a brief reference to the question of the Austrian Treaty, it was stated that 'discussion of this question through the usual diplomatic

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channels . . . has not yet taken place', and that the Soviet Government was awaiting a reply to its Note of 28th August [see 3.9.53 2a(195)].

Proposals for Foreign Ministers' Meetings

The Note concluded by proposing the convening of a Foreign Ministers' conference:

1. To examine, at a meeting consisting of the Foreign Ministers of France, Britain, the United States of America, the People's Republic of China and the Soviet Union, measures to reduce tension in international relations.
2. To discuss, at a meeting consisting of the Foreign Ministers of France, Britain, the United States of America and the Soviet Union, the German question, including all proposals put forward in the course of preparing the meeting.'

Analogous Notes were sent by the Soviet Government to the Governments of France and the United States.

UK Statements on Soviet Note

Commenting on the Note in the UK House of Commons on 5th November, Mr. Eden said that the Soviet reply had laid down 'a large range of what are, to us, extensive and unacceptable conditions. If we accepted these conditions, they would undermine our security and make it impossible for Germany to regain her unity in freedom.' The Note from the Western Powers, which had offered discussions on the fairest terms and without any pre-conditions, had been 'absolutely turned down'. But despite this setback the United Kingdom Government remained prepared to discuss Germany and Austria with the Soviet Government 'at any time and at any place, and without any prior conditions at all'. At the conclusion of his review of the international scene, Mr. Eden once more emphasized that 'talks at any level remain our objective, for our work is a work for peace which we shall not abandon'.

At the close of the debate, Mr. Nutting, the Joint Parliamentary Under-Secretary of State for Foreign Affairs, referred also to the pre-conditions contained in the Soviet Note, which in effect asked for the abandonment of the plans and the dismantling of the bases upon which Western security had been built up. The Western Powers must give up their security and their plans for bringing Western Germany into this security, while the Soviets and the satellites maintained all their defence plans, including the considerable armed forces which they had built up in Eastern Germany.

Referring to the Soviet proposal for a five-Power conference to discuss international tension, Mr. Nutting said that the two principal root causes of the trouble in the world today were Germany and Korea; that was why the United Kingdom Government, in collaboration with the Governments of the United States and France, was trying to get conferences on both these topics.

'We still remain anxious and ready for a meeting at any level,' he concluded. 'Nothing can be clearer than that. We have done all we can to bring about a meeting of Powers to discuss the issues that divide the world. We have laid down no pre-conditions for that meeting whatever. We shall continue in that endeavour.'

Three-Power Conference at Bermuda

It was announced from No. 10, Downing Street, on 10th November that it had been decided to hold a three-Power conference at Bermuda. This conference had been planned for the beginning of July but had had to be put off [see 28.5.53 1a(45) and 25.6.53 1a(48)]. President Eisenhower and Mr. Dulles would represent the United States, M. Laniel and M. Bidault France, and Sir Winston Churchill and Mr. Eden the United Kingdom. It was hoped to meet from 4th-8th December, and various matters of common concern to the three Powers would be discussed.

Anglo-Russian Trade

Mr Eden's Statement

In answer to a question in the House of Commons on 6th November, Mr. Anthony Eden, UK Secretary of State for Foreign Affairs, made the following statement about Anglo-Russian trade:

'Her Majesty's Government are anxious to encourage an expansion of legitimate trade with Russia and welcome recent indications that the Soviet authorities share that desire. There are already in existence normal channels through which trade is conducted, and Her Majesty's Government, and, I am sure, organized industry, would be very ready to consider suggestions for facilitating contacts between United Kingdom traders and Soviet trading organizations. In particular, we have always favoured a two-way traffic of business visits between the United Kingdom and the USSR.'

'I am, however, informed that the activities of the British Council for the Promotion of International Trade, which is the body issuing these invitations, are not solely or even primarily commercial, and that this body, which was founded after last year's Moscow Economic Conference [see 1.5.52 2a(22)], is a Communist front organization and is mainly concerned with the dissemination of Communist propaganda. In the circumstances, Her Majesty's Government are advising firms against contributing to such activities by visiting Moscow under the aegis of the British Council for the Promotion of International Trade.'

US Foreign Aid 1952-53

In the fiscal year ending 30th June 1953, total United States foreign aid amounted to a little over \$7 billion (1 billion = 1,000,000,000), of which \$4.4 billion was military aid and \$2.6 billion economic aid. These figures are gross. Deducting grants and repayments of credits to the United States, net foreign aid was \$6.3 billion of which \$4.3 billion was military aid and \$2 billion economic aid. US net foreign aid, since the end of the war, now totals \$41.7 billion, excluding subscriptions totalling \$3.4 billion to the International Bank for Reconstruction and Development and the International Monetary Fund.

These figures and facts are given in the October 1953 issue of *Survey of Current Business*, published by the US Department of Commerce, from which Table I, showing sums available for foreign aid in the year

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ending 30th June 1954, is taken. [For a table showing how the Mutual Security Programme funds for 1953-54 have been appropriated for different geographical areas see 6.8.53 1a(67). In that table the funds shown as brought forward from previous appropriations exclude those already definitely committed to particular uses.]

TABLE I
FOREIGN AID AUTHORIZATIONS AVAILABLE IN FISCAL YEAR 1954

Billions of dollars

Source of availability	Total	Military assistance (grants) (a)	Other aid		
			Total	Grants	Credits
Available in fiscal year 1953:					
Estimated carryover from fiscal year 1952	12.9	9.0	3.9	1.7	2.2
New authorizations for fiscal year 1953	6.2	4.4	1.8	1.8	—
Principal collections on Export-Import Bank loans during fiscal year 1953	0.4	—	0.4	—	0.4
TOTAL	19.5	13.4	6.1	3.5	2.6
<i>Less:</i> Utilization in fiscal year 1953 ..	7.0	4.4	2.6	2.0	0.6
<i>Equals:</i> Estimated aid still to be furnished as of 30th June 1953 from prior authorizations	12.5	9.0	3.5	1.5	2.0
Additions provided by Eighty-third Congress, first session:					
Wheat for Pakistan	0.1	—	0.1	0.1 (b)	—
For Korea:					
Civilian relief	0.1	—	0.1	0.1	—
Relief and rehabilitation ..	0.2	—	0.2	0.2	—
Emergency famine relief	0.1	—	0.1	0.1	—
Mutual security:					
Authorized excess-property transfers	0.2	0.2	—	—	—
Appropriations	4.5	3.2	1.3	1.3	—
TOTAL	5.2	3.4	1.8	1.8	—
<i>Estimated total availability for foreign aid in fiscal year 1954, and for carry-over into fiscal year 1955</i>	<i>17.7</i>	<i>12.4</i>	<i>5.3</i>	<i>3.3</i>	<i>2.0 (c)</i>

Source: US Department of Commerce, Office of Business Economics

(a) The value of authorized loans of naval craft to various countries is not included in this table.

(b) Legislation and agreement with the Pakistan Government provide that terms upon which 30 per cent of this authorization is to be consummated are to be determined later.

(c) \$0.9 billion is committed to various countries; \$1.1 billion represents Export-Import Bank uncommitted lending authority.

Some of US post-war aid has been in the form of repayable loans or credits. Table II summarizes this indebtedness as at 30th June 1953. Debt service is expected to involve payments to the United States amounting to over \$3 billion between 1953 and 1958.

TABLE II
SUMMARY OF INDEBTEDNESS OF FOREIGN COUNTRIES TO U.S.A. AT 30TH JUNE 1953
Millions of dollars

Programme and major country (a)	Indebtedness at 30.6.53
<i>Total</i>	10,811
UK loan	3,600
Export-Import Bank (including agent banks)	2,554
Mutual-security loans (b)	1,637
Credit-agreement offsets to grants and lend-lease credits (c)	1,527
Surplus-property credits	1,038
Merchant-ship credits	126
Military-equipment loans	114
Other (d)	154
<i>Western Europe and dependent areas</i>	8,590
Belgium-Luxembourg	168
British Commonwealth: United Kingdom	4,731
Denmark	50
Finland	111
France	2,053
Germany (Federal Republic)	208
Greece	87
Ireland, Republic of	128
Italy	315
Netherlands	354
Norway	106
Turkey	99
Yugoslavia	55
Other Western Europe (e)	124
<i>Other Europe</i>	314
Poland	74
USSR	223
Other countries (e)	18
<i>Near East and Africa</i>	244
Israel	122
Other Near East and Africa (e)	122
<i>Asia and Pacific</i>	899
China	156
India	361
Indonesia	111
Japan	100
Philippines	90
Other Asia and Pacific (e)	80

[Table continued overleaf]

- (a) Data shown in this table include in some instances loans and other credits extended to private entities in the country specified; the projected repayments shown for Canada, for example, represent the indebtedness of private entities in Canada.
- (b) Mutual-security loans include those repayable in deficiency materials.
- (c) Lend-lease credits include the obligations of foreign governments to return lend-lease silver, totalling \$291 million.
- (d) Other loans include Reconstruction Finance Corporation loans, the State Department loan to the United Nations, and the Philippine funding by the Treasury Department.
- (e) In no case did the indebtedness of any individual country on 30th June 1953 exceed \$50 million.

TABLE II—*contd.*

<i>American Republics</i>	..	..	..	..	..	..	..	..	684
Argentina	..	..	..	..	..	..	..	..	99
Brazil	..	..	..	..	..	..	..	..	235
Chile	..	..	..	..	..	..	..	..	83
Mexico	..	..	..	..	..	..	..	..	100
Other and unspecified American Republics (e)	..	..	..	..	..	..	..	..	168
<i>Canada</i>	..	..	..	..	..	..	..	..	17
<i>United Nations</i>	..	..	..	..	..	..	..	..	63

Source: US Department of Commerce, Office of Business Economics

(e) In no case did the indebtedness of any individual country on 30th June 1953 exceed \$50 million.

Sale of US Surplus Foodstuffs

Negotiations under Mutual Security Act

It was announced by the UK Treasury on 5th November that negotiations for the sale of surplus farm products of the United States, under the provisions of Section 550 of the US Mutual Security Act 1953 [see 6.8.53 1a(66)], had begun in London and other European capitals. This section allows the US Foreign Operations Administration [see 15.10.53 1a(76)] to sell to friendly countries from \$100 to \$250 worth¹ of certain surplus agricultural commodities, and to accept payment for these commodities in the buying country's own currency instead of in dollars.

The Mutual Security Act enables the US Administration to use the sterling and other currencies it receives from such transactions for various purposes in the friendly countries concerned. In the case of the United Kingdom the sterling proceeds will be made available to the UK Government, primarily for the support of the UK defence effort.

The Act also provides that precautions must be taken against 'substitution or displacement of usual marketings of the United States or friendly countries', and that the sales prices of the commodities concerned must, as far as possible, be 'consistent with maximum world prices'.

The surplus commodities under consideration by the United Kingdom in the negotiations include tobacco and several foodstuffs. The value of the United Kingdom's purchases of these and other commodities might, it is considered, be of the order of £15 million to £25 million.

New UK Foreign Office Appointments

Among new UK Government appointments announced on 11th November [see *Home Affairs Survey* 24.11.53 1a] were those of a second Minister of State at the Foreign Office, and a new Parliamentary Under-Secretary of State, Foreign Office.

Lord Reading, formerly Parliamentary Under-Secretary of State, has been appointed Minister of State, Foreign Office, and becomes also a member of the Privy Council, and he has been succeeded as Parliamentary Under-Secretary by Mr. A. D. Dodds-Parker.

¹The planning limit set by the FOA in a recent announcement was \$130 million.

Disarmament

UK Support for UN Efforts

At the end of a debate on foreign affairs in the UK House of Commons on 5th November, Mr. Nutting, Joint Under-Secretary of State for Foreign Affairs, spoke of United Kingdom faith in the United Nations and of the setbacks to its efforts to secure agreement on disarmament. The United Nations, said Mr. Nutting, was faced by many complex and difficult problems. The fact that it had not been able to solve all of them did not in any way alter the devotion which the United Kingdom Government would continue to pay to the cause of the United Nations, a cause which, he said, the United Kingdom had played a leading part in setting out and furthering at the end of the last world war.

Solution of Individual Problems Must Come First

Turning to the question of disarmament, Mr. Nutting said that progress could only be made on this fundamental problem after, and not before, there had been a relaxation of tension and a solution of some, at any rate, of the more urgent individual problems. The Soviet Union had unfortunately shown no willingness to give serious consideration to the constructive proposals put forward by the Western Powers, or to put forward any realistic proposals of its own. In the face of the present Soviet attitude it would be unrealistic, he said, to attempt to put forward a draft disarmament treaty in the Disarmament Commission at the present time. 'We are as anxious', he said, 'as any other country . . . to reduce armaments and eliminate weapons of mass destruction, but we dare not risk the security of the whole free world unless a comprehensive and effective system of international control can be brought into existence.'

Allegations of Germ Warfare

UK and US Statements Disproving Communist Charges

A discussion on the Communist charges of use by United Nations forces of bacterial warfare in Korea took place in the Political Committee of the UN General Assembly between 26th and 31st October.

It was decided in the Committee on 31st October not to proceed to a vote on the draft Soviet resolution before it, but to submit the resolution, together with the relevant proceedings of the Committee and the General Assembly, to the Disarmament Commission.

The many previous attempts made by the UN Command to secure an impartial investigation of the Communist allegations [see 16.4.53 Ic(18)] were recalled by the UK delegate, Mr. Selwyn Lloyd, in the course of a speech made before the Committee on 28th October, when he declared that the charges were part of a propaganda campaign designed to create alarm and suspicion among the members of the United Nations. The campaign had been an 'unpleasant episode', and the purpose of the present debate was 'to give these most indecent charges a decent burial'. Mr. Selwyn Lloyd believed that 'the whole question of the elimination and prohibition of the use of bacterial weapons' was a matter 'more appropriately discussed by the Disarmament Commission'.

US Statement on Extorted Confessions

In the course of a statement before the Committee on 26th October, the US delegate, Dr. Mayo, disclosed that the so-called confessions of US airmen alleged to have taken part in the germ warfare campaign had all been repudiated by the men after their release from captivity. He described the means by which these confessions had been extorted by the Communists and said that all the officers had stated categorically that they had never taken part in waging germ warfare.

The texts of the speeches by Mr. Selwyn Lloyd and Dr. Mayo, together with a short background account of the germ warfare allegations, will be found in APPENDIX II (roneoed) to this issue of INTERNATIONAL SURVEY.

Eighth Session of GATT

Main Decisions

The eighth session of the 33 contracting parties to the General Agreement on Tariffs and Trade (GATT) was held at Geneva from 17th September to 24th October. Among the important decisions reached were: (1) to admit Japan to sessions of the contracting parties and of their subsidiary bodies; (2) to grant a waiver to the United Kingdom in respect of the 'no new preference' rule; (3) to extend the life of the existing GATT tariff concessions until 30th June 1955; (4) to undertake a comprehensive review of the General Agreement in the late autumn of 1954. [For UK views on these subjects see 1.10.53 1e(64)].

Accession of Japan

The contracting parties approved by a vote of 27 to 0 (6 countries, including the United Kingdom, abstaining) a decision inviting the Government of Japan to participate in sessions of the contracting parties and of their subsidiary bodies. In making this decision the contracting parties took into consideration: (a) the fact that it had not been practicable for the contracting parties, in existing circumstances, to proceed with Japan's request to accede to GATT in accordance with the provisions of Article XXXIII (i.e. through tariff negotiations), and (b) the fact that they wished, meanwhile, to associate the Government of Japan with their discussions and deliberations. A declaration was also drawn up to the effect that, pending the accession of Japan following tariff negotiations, the commercial relations between any country signing the declaration and Japan would be governed by the provisions of GATT. The declaration will remain open for signature until 31st December 1953. By 26th October the following Governments had signed the declaration: Austria, Belgium, Denmark, Finland, the German Federal Republic, India, Italy, Japan, the Netherlands, Turkey and the United States.

Dispensation to UK on 'No-New-Preference' Rule

The contracting parties decided to relieve the United Kingdom of the need, under the rules of Article I concerning tariff preferences, to impose duties on duty-free goods from the Commonwealth as and when it might have occasion in the future to increase the unbound duties on foreign goods. In asking for these facilities, the United Kingdom made it clear that it did not intend to use them for the purpose of diverting trade away from foreign to Commonwealth countries. The contracting parties approved, also, procedures for consultation, and, where necessary, arbitration as to whether particular tariff and preference changes would conform with the decision.

The effect of the decision is to enable the United Kingdom to increase unbound duties without being obliged, at the same time, to impose duties on Commonwealth goods; but this is subject to two conditions: (i) if the effect of not putting a duty on the Commonwealth goods would be to cause substantial diversion of trade from foreign to Commonwealth suppliers, the increase of preference would, in fact, frustrate the objectives of Article I of the Agreement, and the decision would not then apply; (ii) the decision affects only goods which have traditionally enjoyed duty-free entry into the United Kingdom when imported from the Commonwealth. If Commonwealth goods are already charged with

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protective duty, then this duty must be increased in step with the duty on foreign goods.

Extension of the Life of the Tariff Concessions

The contracting parties adopted the text of a declaration extending the assured life of the tariff concessions annexed as schedules to the General Agreement until 30th June 1955. The declaration will remain open for signature until 31st December 1953. Its effect would be to extend, for a further period of eighteen months, the bar against re-negotiating duties which are bound by the General Agreement, and thus provide for a desirable degree of stability in tariffs for the period in question.

Review of GATT in 1954

It was decided that arrangements should be made for a review of GATT in October 1954 (or at a later date if so recommended by the *ad hoc* committee on inter-sessional business). The purpose of this session would be to review GATT on the basis of experience gained since it had been in operation, and to examine the extent to which it would be desirable to amend or supplement the existing provisions of GATT and what changes should be made in the arrangements for its administration.

Other Matters

The contracting parties considered a report by the working party which had been making a technical study of a French plan for the reduction of tariff levels [see 30.11.51 3c p.69]. They agreed that no decision on the report should be taken at this time but that it should be referred to Governments for consideration and comments. It was also agreed that the inter-sessional committee would, at the appropriate time, consider problems of substance, arising from the plan, against the background of the adequacy of the present tariff negotiating procedures, as well as any technical aspects, together with the views of Governments when they had had time to study the plan.

The first annual report of the six member States of the European Coal and Steel Community was submitted to the contracting parties and was examined and discussed.

In accordance with a decision taken at the seventh session of GATT [see 27.11.52 2e(58)], the contracting parties received a report from the United States Government on the maintenance of restrictions on imports of certain dairy products. They discussed the United States restrictions and adopted a resolution which (i) affirmed the right of the affected contracting parties to have recourse to Article XXIII procedures (relating to retaliatory action) while the restrictions remain in effect; (ii) authorized the Netherlands Government to continue to limit, during 1954, their imports of wheat flour from the United States to a maximum of 60,000 tons; (iii) recommended the US Government to have regard to the harmful effect of these restrictions on international trade; and (iv) requested the US Government to report, before the opening of the ninth session, on what action it had taken.

A number of other complaints about import and export regulations were dealt with by the contracting parties.

In accordance with certain specific provisions of GATT, the contracting parties held consultations with several Governments (Australia, Ceylon, Chile, Finland, Pakistan, Southern Rhodesia, Sweden and the United Kingdom) on particular aspects of the import restrictions which they

apply for the purpose of safeguarding their balance of payments and monetary reserves.

At its fifteenth session, on 16th April 1953, the UN Economic and Social Council adopted a resolution to the effect that certain resolutions, and a study on discrimination in transport insurance by the UN Secretary-General, be brought to the notice of the contracting parties. The contracting parties instructed the Executive Secretary to prepare, in consultation with governmental and non-governmental organizations, a report on the issues involved, in order that the matter might be considered at a later session.

Administrative Decisions

Mr. L. Dana Wilgress, Canada, was elected chairman of the contracting parties in place of Mr. Johan Melander, Norway, who is leaving the service of his Government.

The contracting parties agreed to convene their ninth session at Geneva on 14th October 1954.

Contracting Parties to the General Agreement

A list of the contracting parties at the eighth session is given below:

Australia	Czechoslovakia	India	Peru
Austria	Denmark	Indonesia	Southern Rhodesia
Belgium	Dominican Republic	Italy	Sweden
Brazil	Finland	Luxembourg	Turkey
Burma	France	Netherlands	Union of South Africa
Canada	German Federal Republic	New Zealand	United Kingdom
Ceylon	Greece	Nicaragua	United States
Chile	Haiti	Norway	
Cuba		Pakistan	

Governments Represented by Observers

Colombia	Philippines
Costa Rica	Portugal
Japan	Switzerland
Libya	Uruguay
Mexico	Yugoslavia

Intergovernmental Organizations Represented

United Nations	Organization for European Economic Co-operation
International Monetary Fund	Council of Europe
International Labour Office	Customs Co-operation Council
Food and Agriculture Organization	High Authority of the European Coal and Steel Community

Representatives of the International Chamber of Commerce consulted with the working party which examined the questions of nationality and valuation of goods.

Mr. Thorneycroft's Statement on Two GATT Decisions

In a review of the GATT session, in the UK House of Commons on 27th October, the President of the Board of Trade, Mr. P. Thorneycroft, said that the concessions on the no-new-preference rule agreed upon fell short of what the United Kingdom would have liked to obtain to meet its difficulties in full, but the UK Government was confident that, with the good-will on which it could rely, the procedures would work out satisfactorily. The UK Government would keep a close watch on developments and, if unexpected difficulties arose, would naturally have to review the position.

Discussing the Japanese request for provisional association with GATT, Mr. Thorneycroft explained that this had been eventually abandoned in favour of a resolution under which those countries who wished to do so could assume individually the obligations of the General Agreement towards Japan. The United Kingdom and a number of other countries had abstained from voting on this resolution and would not undertake the obligations of the General Agreement towards Japan under the resolution. 'I explained the reasons for our policy in my speech to the contracting parties on 23rd September [see 1.10.53 1e(66)],' he continued. 'As I then said, we consider that any step towards admitting Japan to the General Agreement would be premature and might well lead to a general raising of trade barriers.'

International Rubber Study Group

A special meeting of the management committee of the International Rubber Study Group was held in London from 12th to 30th October 1953. The findings of the meeting are being forwarded to member Governments for early comment and expression of their views to the management committee.

Origin and Purpose of the Study Group

The International Rubber Study Group, established as a result of talks between the Governments of the Netherlands, the United Kingdom and the United States in August 1944, has been the prototype of post-war international commodity study groups. Its object is to provide an informal forum, where world rubber problems can be discussed and the world rubber situation watched, without binding the governments of the countries represented. A secretariat in London is responsible to a management committee, consisting of representatives of ten countries, seven of which are permanent members and three elected annually. The permanent members of this committee are: Ceylon, France, the Netherlands, the Republic of Indonesia, the United Kingdom, the United Kingdom dependent territories¹ and the United States of America. Members elected for 1953 are Cambodia, Canada and Denmark. The group as a whole has a membership of 15 countries and territories.

Findings of the Meeting

The meeting re-examined a draft buffer stock agreement, prepared by the working party in January 1953, but did not find any substantial change in the viewpoints of the delegations since the meeting of the Group in May 1953, when it was decided not to recommend the calling of an international raw material conference to discuss the establishment of a rubber buffer stock plan.

After reviewing the facts of the rubber situation, the meeting foresaw a 'statistical' surplus of natural rubber of 169,000 long tons by the end of 1953, contrasted with the surplus of 193,000 long tons foreseen after the May meeting of the full study group. It noted that the actual surplus will be considerably less than the revised estimate, because of additions during 1953 to governmental and consumers' stocks.

The meeting agreed that recent price developments were placing the natural rubber industry in a serious position at the present time.

¹About half the world's natural rubber is produced within the British Commonwealth [see *Commonwealth Survey* 28.3.52 1j(24)].

Accordingly, it set out for the information of, and possible action by, member Governments and private commercial interests, some remedies which a number of delegations suggested might help to alleviate the current position. Briefly, these suggestions were: acceleration of replanting programmes; creation of new natural rubber stocks or additions to existing stocks, whether governmental or commercial; action by the United States Government to increase the price of GR-S (a type of synthetic rubber), to re-examine its practices in stockpile rotation, and to revoke a directive issued in 1952, regarding the level at which mandatory consumption requirements for synthetic rubber might be reimposed. The United States delegate, it was stated, agreed to transmit these views to his Government, but observed that in his opinion the price level of GR-S had no connection with present price developments.

International Fisheries Convention 1946

Second Meeting of Permanent Commission

The second meeting of the Permanent Commission set up under the Assembly of the Council of Europe [see above], which he had attended as leader of the United Kingdom delegation. He said that the debate member Governments, Belgium, Denmark, France, Iceland, the Irish Republic, the Netherlands, Norway, Portugal, Spain, Sweden, and the United Kingdom. Poland, the remaining member Government, was represented by an observer.

At the invitation of the Commission, there were also present observers from the Government of the Federal German Republic, who said it was hoped that, subject to the approval of the Bundestag, the Federal German Republic would accede to the Convention and join the Commission early in 1954.

Proceedings

Proposals were put forward by several delegations for the alteration of the provisions of the Convention (which are due to come into force on 5th April 1954) affecting the size of mesh of nets, the size limits of fish to be retained on board fishing vessels for landing and sale, and the extent of the waters covered by the Convention.

The delegates unanimously agreed that for a transitional period of not more than two years from 5th April 1954, the minimum size of mesh should be 75 mm. instead of 80 mm. in the waters for which 80 mm. is prescribed under Annex I of the Convention.

Having regard to scientific evidence about the difference in selectivity between seine nets and trawl nets, all delegates other than the Norwegian, who wished to give further consideration to the matter before expressing their attitude, agreed at the instance of the United Kingdom that the minimum mesh for seine nets [see *Home Affairs Survey* 21.8.51 2b p.29] from 5th April 1954, should be 70 mm. in the area for which the Convention at present prescribes a mesh of 80 mm., and 100 mm. in the area for which it prescribes 110 mm.

In relation to proposals submitted by the Danish delegation, consideration was given to the problem of fisheries for industrial purposes, involving the capture of immature fish of species protected under the Convention. As a temporary measure pending further discussion at their next meeting, the Commission suggested that Denmark should make suitable arrange-

ments for the regulation of this type of fishery, and meanwhile agreed to ask the International Council for the Exploration of the Sea¹ for scientific advice as to the conditions under which such fisheries could be permitted, without harm to the conservation of the species which the Convention aims to protect.

The Commission considered extending the area of the Convention southwards from 48°N. latitude to include the waters off the Atlantic coasts of France, Spain and Portugal. These countries agreed to consider the matter further among themselves and to submit definite proposals to the Commission.

It was agreed that all countries should notify the Commission of the measures they were taking to enforce the requirements of the Convention, and that consideration should be given at the next meeting to the question whether any further steps were desirable.

The Commission recalled the different interpretations which had been put upon the scope of their powers at their first meeting, and were informed that the United Kingdom Government intended to lay before all other signatory Governments proposals for a revised Convention which would resolve these difficulties and so meet what was believed to be the general desire that conservation measures need not be restricted to the size of mesh of nets and size limits of fish.

The Commission accepted an invitation from Denmark to hold its next meeting in Copenhagen in May 1954.

¹The International Council for the Exploration of the Sea was established in 1902 by inter-governmental agreement, for promoting scientific investigations into food fishes, plankton and sea water, with the purpose of forming a basis for international conventions aiming at securing a better output from the fisheries. Headquarters are at Charlottenlund, Denmark.

EDC and German Rearmament

UK Statements

In the course of the debate on foreign affairs in the UK House of Commons on 3rd November, statements were made by Mr. Eden, the UK Secretary of State for Foreign Affairs, and by Mr. Nutting, Joint Under-Secretary of State for Foreign Affairs, on United Kingdom support for the European Defence Community (EDC) and for the view that 'it is through EDC, with its many safeguards and its collective machinery, that Germany can most acceptably contribute to the defence of Europe'.

United Kingdom Association with EDC

Mr. Eden said that the United Kingdom partnership with the European Defence Community when it was in operation, would be as close as anything they could devise short of actual membership. They hoped to found 'a lasting association, based on our allegiance to NATO and a common outlook in technical fields, such as training, tactical doctrine, staff methods and the standardization of weapons'. On the political plane, there would be important questions of policy to discuss and day-to-day problems to settle, and for these purposes they had made suggestions for new machinery. These suggestions had been welcomed by the members of the EDC and were being discussed in Paris.

Germany and EDC

Turning then to the question of German participation in the collective defence of Europe, Mr. Eden recalled the policy of the previous UK Government as expressed by the then Foreign Secretary, Mr. Bevin, who had said '... if Western Germany is to be defended, it seems to us only fair and reasonable that the people of Western Germany should help in their own defence'. Mr. Eden suggested that there had always been much more to it than the question of defence, important though that was. With EDC within the NATO framework as it would be, Germany through that organization would be taking part in many discussions and deliberations concerning the future of the free Western world. 'Would it not be a good thing', he said, 'to try to draw Germany into these discussions and encourage her to take part in them?' The alternative was to see Germany a vacuum in the centre of Europe with a national army, and perhaps giving herself to the highest bidder. Did anybody in the House believe that Germany would remain indefinitely unarmed, whatever decision the United Kingdom Government took. 'We do not forget', he said, 'what happened in 1914 and 1939, but that does not exclude our responsibility to try and build a Western family of nations and bring Germany into that family.'

The European Defence Community, Mr. Eden went on, was not a perfect plan, but it was the only scheme he had been able to see which brought Germany into this collaboration with the safeguards which she herself accepted. He concluded by asking whether Germany was less dangerous to Russia 'when drawn into EDC where her arms are limited by agreement, and where her arms production is limited by agreement, and where she is bound to it with all of us', or if she had an independent national army, which she could use as she wished to fulfil any ambitions she had in mind.

At the end of the debate, Mr. Nutting pointed out that all the troops in EDC would be under the command of the NATO Supreme Commander, and there was provision for continuous contact and consultation between the two bodies. Alternative suggestions, he went on, for an independent German national army or for German neutralization, ignored the overwhelming choice of the people of Western Germany, at least two-thirds of the German people, in favour of a European as opposed to a nationalist or neutralist policy. 'Surely', he said, 'in this significant and symbolic gesture lies a hope of peaceful German co-operation, a hope that the people of Germany are now resolved to devote their vast energies and resources to defending rather than destroying Western civilization.' [For references to EDC in the Soviet Note of 3rd November see 1a(85).]

German and Austrian Peace Settlements

References to the problem of German unity, and to the conclusion of an Austrian State Treaty, were made in the Queen's Speech on the opening of the new session of the UK Parliament on 3rd November. During the debate which followed, Mr. Eden, UK Secretary of State for Foreign Affairs, and Mr. Nutting, Joint Under-Secretary of State for Foreign Affairs, referred on 5th November to the Soviet Note of 3rd November replying to the invitation of the Western Powers to a four-Power Meeting on Germany and Austria at Lugano on 9th November. Mr. Eden stated that the United Kingdom remained 'prepared to discuss Germany and Austria with the Soviet Government at any time and at any place, and without prior conditions at all'. The text of the Queen's Speech, and a fuller account of the statements by Mr. Eden and Mr. Nutting, together with a summary of the Soviet Note, will be found in 1a in this issue.

Trieste

Statement by UK Foreign Secretary

Mr. Eden, UK Secretary of State for Foreign Affairs, referred in the House of Commons on 9th November to disturbances which recently took place in Trieste. [For previous developments on Trieste, see 15.10.52 2a(219) and 29.10.52 2a(228)]. The disturbances, Mr. Eden said, had been provoked and partly organized from outside. The UK Government still considered that a five-Power conference offered the best chance of finding a solution of the problem, and was persevering with its efforts to achieve a lasting settlement.

Disturbances in Trieste

According to the reports he had received, Mr. Eden declared, 'the disturbances began on 4th November, when stones were thrown at the police, who had to use their truncheons. Seventeen arrests were made. One policeman was injured and another compelled to fire a warning shot in the air when surrounded by a hostile crowd. On 5th November the students came out on strike and their activities were organized by older men, members of the neo-Fascist Party. During the afternoon, large crowds collected. At one point the police, who were pelted with stones and other missiles, were obliged to fire in order to extricate themselves from a very threatening situation. The Zone Commander, General Sir John Winterton, was finally compelled to call out one company of British and one of United States troops. This had a salutary effect.'

'On the following day, however, 6th November, a general strike was called and further serious rioting occurred, in the course of which firearms and grenades were used by the rioters against the police. Four companies of troops were called out and order was restored without their having to use their weapons. In the three days of rioting six persons were killed and 162 injured, including 79 policemen.' Mr. Eden added that the police had shown admirable discipline and restraint.

Riots Provoked from Outside

'My reports', Mr. Eden continued, 'leave no doubt that these disorders were deliberately provoked and at least partly organized from outside Zone A. Irresponsible elements had evidently planned to exploit certain national Italian anniversaries in order to provoke incidents in Trieste. The demonstrations seemed to be aimed at causing a breakdown of law and order and the disruption of the local security forces.' On 3rd and 4th November about 3,000 persons attempting to enter Zone A from Italy in organized parties had been turned back, but in spite of this large numbers had succeeded in entering the Zone and had taken part in the riots.

The UK Government, said Mr. Eden, 'take a grave view of these events. They sincerely deplore the loss of life, the injuries suffered and the destruction of property in Trieste. But the sole responsibility for these tragic results must rest with those extremist elements who deliberately provoked and organized these disorders'.

The Zone Commander, who was jointly responsible to the UK and US Governments, had the full support of the UK Government in taking all steps for the restoration and maintenance of order, Mr. Eden declared, and the US Government had also declared its full confidence in him. There had been the closest contact and agreement between the UK and US Governments throughout 'this very difficult period'. The Italian Government had been urged to do all in its power to curb those elements responsible for provoking the disturbances.

Proposals for Five-Power Conference under Discussion

The UK Government, said Mr. Eden, had been working with the US and French Governments on specific suggestions regarding the basis on which a five-Power conference might be called.

'We are also considering', he continued, 'certain proposals put forward in this connection by the Yugoslav Government. We still consider that a conference offers the best chance of finding a solution of the vexed problem of Trieste. We shall persevere in our attempts to secure an acceptable and lasting settlement, and we shall not be deflected from this purpose by violence from any quarter.'

Statement by Sir Winston Churchill

The situation in Trieste was referred to by the UK Prime Minister, Sir Winston Churchill, in the course of a speech at the Guildhall, London, at a banquet given on 9th November by the Lord Mayor. UK and US troops had been kept waiting at Trieste at heavy expense for more than eight years, he said, and 'all we wish to do is to take them away after helping the Italians and the Yugoslavs to come to a friendly arrangement together'. Nothing would be easier than for the Anglo-American troops to steam away home but 'it would certainly be much harder to predict what would happen after that. It is not', Sir Winston declared, 'because we had anything to gain ourselves that we were there or that we stay there'. In fact the only benefit to the United Kingdom likely to emerge from the situation was 'a sense of having done our duty'.

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Council of Europe

Consultative Assembly Meeting

The third part of the fifth ordinary session of the Consultative Assembly of the Council of Europe was held in Strasbourg from 15th to 26th September. [See 3.9.53 2a(201) for a list of members of the United Kingdom delegation.]

The Assembly appointed M. Leon Marchal Secretary-General in succession to M. Jacques-Camille Paris, who had been killed in a motor-car accident on 17th July, and who had held the post since 5th May 1949.

The chief debates were on the policy of the Council of Europe in the light of recent developments in the international situation and on the future position of the Saar. The Assembly also debated, and took decisions on, a variety of political, economic, social, cultural, legal and administrative questions, in many cases on the basis of reports submitted by its various committees.

These covered such topics as European defence and the Council's relations with the North Atlantic Treaty Organization, European local government, the Greek earthquakes, the European Convention on Human Rights, the role of the Council in social affairs, frontier formalities, European inland transport, Council of Europe Research Fellowships, television, Secretariat staffing policy, and an emblem for the Council of Europe.

The Assembly also considered reports from, and approved replies to, the Committee of Ministers, the Brussels Treaty Organization, the International Labour Organization, the World Health Organization, the Organization for European Economic Co-operation, the Intergovernmental Committee for European Migration, and the United Nations High Commissioner for Refugees. The texts of recommendations and resolutions adopted are reproduced in a UK White Paper, Cmd. 8970, published in October 1953 and entitled: *Report on the Proceedings of the 1953 Extraordinary Session and of the Fifth Ordinary Session of the Consultative Assembly of the Council of Europe, including the Joint Meeting with the Common Assembly of the European Coal and Steel Community.*

Policy of the Council of Europe

The rapporteur of the General Affairs Committee, M. Spaak, presented, in his personal capacity but with the permission of the Committee, a report on the policy of the Council of Europe in the light of recent developments in the international situation, which was debated on 19th, 21st-22nd and 26th September. The discussions centred on the type and scope of the projected conference between the Governments of France, the United Kingdom, the United States and the USSR, covering questions such as the attitude of the USSR, the reunification of Germany, German rearmament, mutual security guarantees, and the status of the countries of Eastern Europe in any East-West negotiations.

A resolution was adopted in two parts: A, setting out a series of principles on which European policy should be based, and B, defining immediate policy on the basis of these principles. The resolution as a whole was adopted by 76 votes to 7, with 11 abstentions. The text of the resolution was as follows:

SECTION A

The Consultative Assembly believes that the policy of the Council of Europe must be based upon the following principles:

1. The desire of all European peoples for peace requires that Western Europe should not only encourage all efforts to put an end to the present international tension, by settling the problems which at present create that tension, but should also take every possible initiative to achieve that result.
2. The task of unifying the whole of Europe, which was undertaken for reasons other than as a reply to threats of war, must be pressed forward, since a united Europe in itself constitutes an essential factor in the establishment of an enduring peace.
3. Disarmament is an essential condition of lasting peace. Any agreement to reduce armaments must be reciprocal and include provision for a general system of supervision and control, in order to ensure both the observation and simultaneous implementation of the agreement.
4. Pending a general agreement on disarmament, the free world must continue its efforts to organize collective security, having full regard to what is possible in the light of its economic capacity and social structure.
5. The solidarity of the Western world must be firmly established, with due respect for the mutual independence of a united Europe and of the United States of America.
6. The union of free Europe represents a further factor in the maintenance of peace, by virtue of the additional guarantee which is afforded by the defensive character of its alliances, and by its declared intention to seek, exclusively by negotiation, the solution of the problems which are the cause of the present tension in international relations.
7. Respect for human rights and fundamental freedoms remains an indispensable condition of the establishment of relations based on mutual trust and of a fruitful co-operation between the peoples, which in turn presuppose a sincere effort to achieve mutual understanding.

SECTION B

1. The Assembly considers that, at the present juncture, the first step in the implementation of the foregoing principles should be the convocation of the proposed four-Power conference at the earliest possible date. The chief items on the agenda of this conference should be the Austrian and German questions, which should be considered separately, it being accepted that the subject-matter of the conference could progressively be extended.
2. This conference should lead, with the participation of the Austrian Government, to the speedy conclusion and implementation of a State Treaty ensuring Austria's political and economic independence.
3. The Assembly considers that, with regard to Germany, the final aim of the conference should be the conclusion of a peace treaty, which presupposes free elections throughout Germany and, as a result of these elections, the formation of a Government entitled to act in the name of a united Germany.
4. While believing that the integration of a united Germany in a united Europe would constitute a guarantee for peace, the Assembly considers that the decision on the final position of Germany should be freely taken by its future Government.
5. The Assembly holds that the hope of a favourable outcome to the conference should not be allowed to slow down Europe's efforts to achieve collective security and a better co-ordination of its forces, with the participation of Western Germany, nor the negotiations for the creation of a European Political Authority, with limited functions but real powers, which would ensure the democratic control of existing or future specialized authorities.
6. To this intent, the Assembly urges the United Kingdom and the other members of the Council of Europe to enter into the closest possible degree of association with such specialized authorities.
7. The Assembly, wishing to make clear beyond all doubt the will for peace by which it is animated, considers that Russia should be offered as a guarantee a mutual security pact within the framework of the United States of America, the United Kingdom, the countries adhering to the European Political Community or—once established—that Community itself and, it is to be hoped, other States.

The Future Position of the Saar

An Interim Report by the General Affairs Committee on the future position of the Saar was presented to the Assembly for debate by M. van der Goes van Naters, who had himself written a detailed report on the Saar. The Assembly adopted a recommendation to the effect that: (1) France and Germany be encouraged to undertake bilateral negotiations without delay; (2) a special conference be called early in 1954 to consider

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guaranteeing agreements reached as a result of these negotiations, and, if necessary, to seek a solution of any outstanding problems.

The text of the speech on the draft recommendation on the Saar by Mr. Nutting, Leader of the United Kingdom delegation to the Council of Europe Consultative Assembly meeting, together with background information on the Saar question, will be found in APPENDIX VI to INTERNATIONAL SURVEY No. 137 of 1.10.53.

Mr. Nutting on the Role of the Council of Europe

In a debate in the UK House of Commons on the Council of Europe on 23rd October, Mr. Nutting, Joint Under-Secretary of State for Foreign Affairs, reviewed the role that the Council of Europe has played and can further play as a unifying force in Western Europe. 'We can truthfully claim', he said, 'that the Council of Europe has played a considerable part in promoting the unity of Western Europe.' The Council of Europe was the only forum in which not only the Ministers, but also the parliamentarians, of 15 European nations could meet and talk together. It was not the only factor in European unity but it was, and he hoped it would remain, 'a powerful, unifying force'.

The Eden Plan

Mr. Nutting then reviewed United Kingdom support for the Council of Europe in the context of British foreign policy since the war, which had been, he said, to promote the recovery and unity of Western Europe [see 29.10.53 2a(227)]. Recalling the early debates in the Council of Europe between those who wanted a federal relationship and those who favoured inter-governmental links between member States, which had been followed by the decision of France, Western Germany, Italy and the Benelux countries to create, first the Coal and Steel Community (ECSC), and then the Defence Community (EDC), Mr. Nutting said that this decision had created some danger that the Council of Europe might be divided within itself and become, 'as it were, stranded between the two main streams of European unity—the Atlantic Community and the federal community of little Europe'. It was to overcome that danger that the United Kingdom Government launched the Eden Plan [see 20.3.52 1g(23)], the purpose of which was to 'provide a kind of framework, within which the federal communities and the Council of Europe could grow together rather than grow apart'.

The Eden Plan had been welcomed by the Committee of Ministers and by the Consultative Assembly of the Council of Europe, and had progressed, said Mr. Nutting, to being a practical reality. The first and very successful joint meeting of the Coal and Steel Community and the Assembly of the Council of Europe, at which a great many ideas were exchanged and a very useful discussion took place, had been held in Strasbourg in June. 'When the European Defence Community comes into existence', he went on, 'the Assembly of the Council will no doubt wish to work out, in accordance with the Eden Plan, a method whereby similar co-operation can be achieved between them and the Assembly of EDC.'

Another instance of the Eden Plan in operation had been the participation of the members of the Council of Europe in the work of the *ad hoc* Assembly, which drew up a draft statute for the European political federation [see 12.2.53 2a(28) and (39)]. Members of both UK Houses of Parliament had participated in the work of that Assembly.

The Council of Europe Debate on Policy

Mr. Nutting went on to speak of the recent meeting of the Consultative Assembly of the Council of Europe [see above], which he had attended as leader of the United Kingdom delegation. He said that the debate on the European situation and the resolution which the Assembly subsequently passed, had done a great deal to raise and hearten European morale at an important time and to give renewed impetus to European defence policy. He described it as of the first significance that the parliamentarians of 15 European nations, representing all the democratic parties in those countries, had endorsed by an overwhelming majority the foreign policy upon which the three Western Powers—the United Kingdom, the United States and France—were now embarked, namely, to strive for an early four-Power conference to discuss Germany and Austria, while at the same time maintaining the European effort to achieve collective security with the participation of Western Germany.

The Future of the Council of Europe

Turning in conclusion to the future, Mr. Nutting said that they must hope that one day the membership of the Council might be extended to bring in those European nations now under Soviet bondage. But whatever might be its present or its ultimate position, the Council of Europe was bound by its very nature and by the nature of its constituent members, to contain both nations and men of divergent views and policies. 'The important thing', he said, 'is that there should be no divergency of aim. The Council of Europe has it within its own power to prevent this and to develop that healthy unity in diversity which is its strength.' The Council of Europe should be and should remain the focal point of European unity, and should continue to encourage every real effort which helped to strengthen and to unify the European family.

Human Rights Convention Extended to UK Dependencies

On 23rd October, the Permanent Representative of the United Kingdom to the Council of Europe notified the Secretary-General of the Council of the decision of the United Kingdom Government to extend the provisions of the European Convention for the protection of Human Rights and Fundamental Freedoms to 42 oversea territories for whose international relations the United Kingdom is responsible. The Convention for the Protection of Human Rights and Fundamental Freedoms was signed in November 1950 by the 15 member countries of the Council of Europe, and came into force on 3rd September 1953 after the deposit of the required ten ratifications [see 3.9.53 2a(202)].

North Atlantic Treaty Organization

Progress of Communications Infrastructure Programme

In a statement issued on 28th October, Lord Ismay, Secretary-General to NATO, described progress in communications projects under the North Atlantic Treaty Organization's £700 million commonly-financed infrastructure programme. He said that a total of £90 million had so far been devoted to improving communications in NATO countries, and, in all, some 225 communications projects were now under construction. Of the projects programmed for the United Kingdom and Central Europe, 75 per cent would be completed in 1953 and the rest in the course of 1954. In the Northern area, about half of the programme

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would be completed in 1953 and the rest in 1954 and 1955. In Greece and Turkey, where work was begun only this year (because it was not until 1952 that these two countries acceded to the North Atlantic Treaty), it was anticipated that projects would be completed in the course of 1954 and 1955.

Describing the aims of the programme, Lord Ismay said that it would reinforce existing communications facilities by the addition of (1) more than 6,400 kilometres of landlines, (2) more than 6,000 kilometres of radio relay circuits, and (3) 1,200 kilometres of submarine cables. In the vast majority of cases, these projects were tied in directly with existing civilian communications, so that, apart from their essential military value, they would serve to reinforce and strengthen peacetime communications facilities. When the programme was completed the NATO countries would have vastly improved communications, extending all the way from northern Norway to Turkey.

As in the case of NATO airfield construction, the communications programme was begun in 1949 under the Western Union organization set up by the Brussels Treaty. Both became NATO programmes after the Ottawa meeting of the North Atlantic Council in September 1951. Additional projects are provided for in a further programme now being examined by NATO military and civilian authorities. All infrastructure expenditures are controlled by the Council under procedures designed to obtain the best work and equipment at the lowest possible cost. Projects are open to international competitive bidding. The host country (where a specific project is located) is responsible for calling for tenders and awarding contracts. [For previous information on NATO infrastructure programmes see 29.1.53 2a(17), 30.4.53 2a(98), 14.5.53 2a(114), 6.8.53 2a(175), 17.9.53 2a(208).]

Exercise 'November Moon'

A four-day air defence exercise named *November Moon* took place between 2nd and 5th November, under the over-all direction of Lieut.-General Schlatter USAF, Commander Allied Air Forces Southern Europe. Aircraft of France, Greece, Italy, Turkey, the United Kingdom (from bases in Malta, in North Africa and in the United Kingdom) and the United States (from the US 6th Fleet, based in the Mediterranean, and the US Strategic Air Command bases in North Africa and the United Kingdom) took part. The exercise was planned at General Schlatter's headquarters at Naples in co-ordination with the air defence commands of the participating nations, and was designed to test the air forces of these countries in the defence of their respective areas and, at the same time, to test the co-ordinate air defence of Southern Europe. Defensive actions took place throughout the Mediterranean from Southern France to North Africa and Eastern Turkey. On the second day of the exercise, defending aircraft intercepted over 110 separate attacks launched against targets in Southern France, Italy, North Africa, Malta, Greece and Turkey. Only token forces and aircraft were actually involved in the manoeuvres, since they were primarily designed to test operations and communications procedures, but it was pointed out that token forces were all that were necessary to alert air defence commands and to give them practice in detecting, tracking and intercepting enemy planes.

Lessons Applied from Previous Air Exercise

A similar air defence exercise, *New Moon* [see 26.3.53 2a(73)], from which valuable lessons had been learned, was held in March. Major-

General Lalatta (Italian Air Force), Deputy Commander, Allied Air Forces Southern Europe, said at the close of exercise *November Moon* that there had been a great improvement over exercise *New Moon* as a result of more efficient utilization of the facilities at hand, and closer co-operation through frequent meetings and conferences among the Southern European NATO air staffs. Though communications facilities themselves were still inadequate, he said, as General Schlatter had also emphasized, improvement had been specially evident in the use of the various communications procedures during the exercise.

Broadcasts on BBC European Service

The text of the broadcast given on the European Service of the BBC by General Lauris Norstad, in the series 'NATO As I See It' [see 17.9.53 2a(210)], will be found in *Appendix I* (roneoed) to this issue of *International Survey*. Texts of earlier broadcasts in this series by Admiral Nicholl and by Lord Ismay, were issued as *Appendices I* and *II* to *International Survey* No. 136; by Admiral Qvistgaard and by General Gruenthal, as *Appendices I* and *II* to *International Survey* No. 137; and by Admiral McCormick and by Field-Marshal Lord Montgomery, as *Appendices II* and *III* to *International Survey* No. 138.

OEEC Council Meeting

Plans for Further Liberalization of Trade

The Council of Ministers of OEEC ended a two-day meeting on 30th October with agreement on steps to promote the further liberalization of trade and on measures to examine the problems arising from currency convertibility [for UK statement see 29.10.53 2a(230)]. The Council also stressed the need for continuing consultation between member and associated countries (the United States and Canada) on measures to promote a steady expansion of production while maintaining both internal financial stability and the progress made toward payments equilibrium.

Liberalization of Trade

In a resolution on further liberalization of trade, the Council reaffirmed its aim of abolishing all quantitative import restrictions between member countries. It recognized that, to attain this objective, the following conditions needed to be fulfilled.

1. A suitable multilateral system of payments must be agreed upon as from 1st July 1954.
2. The marked inequality between the achievements of individual member countries in trade liberalization must disappear.
3. France must comply fully with her obligations under Article 2 of the OEEC Liberalization Code (this provides for the removal of quantitative restrictions on 75 per cent of imports on private account).
4. The escape clauses in the Code of Liberalization must be tightened up.

It was decided that the OEEC Steering Board for Trade should consider justifications submitted by member countries for those quantitative restrictions which were applied for reasons other than balance of payments difficulties, and that France should report to OEEC, before

[Over]

1st March 1954, on such steps as it had taken to comply fully with its obligations under Article 2 of the Code. A meeting of the Council at ministerial level would be held before 1st April 1954 to consider these matters and to determine what further moves could be made to remove the remaining quantitative restrictions on trade between member countries.

Currency Convertibility

Stressing that progress by member countries toward currency convertibility should not be achieved at the expense of the continued liberalization of intra-European trade and payments, the Council decided that the Managing Board of the European Payments Union should examine the problems which would arise for intra-European trade and payments in the event of one or more European currencies being made convertible. It should also examine possible methods for ensuring an orderly transition, in such circumstances, from the existing form of EPU to a wider multilateral system of trade, payments and credits, and should report to the Council by 31st March 1954.

OEEC Suspends Nickel Restrictions

The Council of the Organization for European Economic Co-operation (OEEC) announced on 3rd November 1953 that it had decided to suspend forthwith the common list of restrictions on the use of nickel, nickel alloys and nickel-plating, and the application of measures limiting the use of nickel in case-hardening and constructional steels. Member countries would now be at liberty to decide whether to suspend or maintain restrictions on the national level, in accordance with their own requirements.

The UK Government subsequently announced the removal of all such restrictions, with effect from 6th November 1953.

This action on the part of OEEC, the announcement goes on, followed a decision by the International Materials Conference that allocation of nickel should cease on 30th September 1953 [see 15.10.53 1e(75)], the gap between supply and demand having narrowed sufficiently. The Canadian Government had already announced the abolition of all major controls, and the United States Government had decided to revoke its own controls on 1st November 1953. Since these two countries together consume some 70 per cent of the available world supplies of nickel, a new situation in Western Europe was created, which justified the new decision. The OEEC Iron and Steel and Non-Ferrous Metals Committees would be instructed to follow the supply position for nickel closely, and to make any necessary new proposals to the Council for the restoration of restrictive measures, or for their final repeal.

The common list of prohibitions on the end-use of nickel, nickel alloys and nickel-plating, containing nearly 500 articles for which the use of these materials was forbidden, was adopted by the OEEC in May 1952, when world shortages rendered it necessary to reserve available supplies for defence purposes. It was then pointed out that the adoption of a common list made possible co-ordination of restrictive measures taken by Governments; it also tended to avoid difficulties in connection with the liberalization of trade, by reducing the risk of undesirable commercial repercussions to a member country which had forbidden the production of certain articles in its own factories.

Egypt and the Sudan

Egyptian Interference in Sudan Elections

During the course of a foreign affairs debate in the House of Commons on 5th November [see 1a in this issue], Mr. Eden, UK Foreign Secretary, and Mr. Anthony Nutting, Parliamentary Under-Secretary of State for Foreign Affairs, spoke on two aspects of Anglo-Egyptian relations. A further statement on Egyptian interference in the Sudan elections was made by Mr. Eden on 13th November.

Speaking of the position in the Sudan, where the first stage [see 17.9.53 2b(58)] of the elections for a new Sudanese Parliament had begun on 2nd November, Mr. Eden recalled that these elections were being supervised by an international commission [see 12.2.53 2b(12)]. The Electoral Commission, he said, had been 'working with skill and restraint in difficult circumstances, under its Indian chairman'. In addition, the Anglo-Egyptian Agreement on the Sudan, signed on 12th February 1952 [see 12.2.53 2b(11)], had pledged the two Governments to enable the Sudanese to elect their Parliament and to determine their future in 'a free and neutral atmosphere'.

'We are certainly not satisfied', he declared, 'with the way in which the Egyptian Government have so far carried out that pledge. The Government-controlled press and radio of Egypt, and a variety of other means, shall we call them, have been used with full force to influence the decision of the Sudanese people in favour of the party which advocates a link with Egypt.'

In August 1953, the Egyptian Minister of Propaganda and Sudan Affairs (Major Saleh Salem) had visited the Sudan with the intention, according to the Government-controlled Egyptian press, of persuading the Sudanese political parties to share out the seats instead of contesting the elections. He had not succeeded, but it was the very same Minister, a few days ago, who had publicly accused the British officials of the Sudan Administration of intervening in the elections. Mr. Eden pointed out that any evidence of improper acts by officials should have been put to the Electoral Commission, and that wide, unsupported accusations made to the Press could only have been intended for propaganda purposes.

'These persistent efforts to arouse prejudice and hostility against the British', Mr. Eden declared, 'can only have one purpose, to confuse the real issue. They are designed to obscure the fact that the choice is not between subjection to Britain and subjection to Egypt, but between complete independence and dependence upon Egypt. Our purpose was and is to ensure that the Sudanese shall be able to choose fairly and freely between these alternatives, and in doing that we seek nothing whatever for ourselves. We are not going to make the Commission's task more difficult by following the Egyptian example, but we cannot let it appear by our silence that we condone this kind of behaviour.'

The UK Government had consistently refused to make any agreement with Egypt which did not permit the Sudanese people freely to determine their future. It was now for the Sudanese to take the first step towards that goal, and he assured the Sudanese that 'we will give our support to their freely elected representatives in achieving what is promised to them under the Anglo-Egyptian Agreement which we have signed' [see 12.2.53 2b(11) and *Appendix C to Reference Pamphlet RF.P.2593 of July 1953 (I.2b), The Sudan 1899-1953*].

A further statement on the Sudan elections was made by Mr. Eden on 13th November, in a written reply to a question in the House of Commons. Mr. Eden said that Major Saleh Salem, the Egyptian Propaganda Minister, had recently made statements asserting that the Egyptian Government had faithfully carried out their side of the Anglo-Egyptian Agreement.

In the view of the UK Government, Mr. Eden declared, 'these statements cannot be reconciled with the persistent line of conduct pursued by the Egyptian Government since last April'. Mr. Eden said with reference to Major Salem's visit to the Sudan in August [see above] that 'apart from the views which we all hereshare on the nature of régimes which go in for single list elections, this intervention was plainly inconsistent with the obligation to allow the Sudanese to hold their elections without outside interference.

'I mentioned last week the continuous stream of propaganda in the Egyptian press and radio. The Egyptian Government have also tried to influence the course of the elections by the expenditure of money on gifts for educational or religious purposes, by fetching to Egypt on sponsored visits large parties of Sudanese, and by similar devices. Officials of the Egyptian Irrigation Department at their various stations in the Sudan, the Egyptian Army Headquarters and the Egyptian Economic Expert's Office in Khartoum have all been involved in these activities. Early last month, Captain Mohammed Abu Nar, head staff secretary to the Egyptian Minister of Propaganda, installed himself in Khartoum and has since been in constant touch with leaders of one particular political party. About the same time, the Under-Secretary for Sudan Affairs in the Egyptian Government transferred the scene of his operations to Khartoum: from there he distributes financial grants to Sudanese private schools in Khartoum and Gezira.

'The appearance of these senior officials in Khartoum at this time and the activities they have engaged in can fairly be described as electioneering by the Egyptian Government. They have been followed by an influx of other servants of the Egyptian Government of Sudanese origin, who are ostensibly on leave, but an extraordinary leave timed to coincide with the election campaign, although they are not resident in the Sudan and have no votes. In one recent week, for example, no fewer than 1,100 such persons reached the Sudan by rail and river at Wadi Halfa. I am informed that many of these are engaged in electioneering, some of them in Egyptian army uniform.

'In the face of such evidence, it is clear that the Egyptian Government have disregarded their pledge under the Agreement of last February to guarantee free elections, a pledge which was reaffirmed by General Neguib to the Minister of State on 28th March, when he said "it is not the desire of the Egyptian Government to interfere with the complete freedom of the elections in the Sudan".

'But more than this, the Egyptians have clearly shown they have no intention of allowing the Sudanese people freely to choose their own future status. In a letter to a Sudanese leader earlier this summer, General Neguib declared that Egypt could only agree to an independent Sudan if it were united economically and militarily with Egypt. The letter was withdrawn only after it had received widespread publicity and evoked protests from the Sudanese. The same line of thinking is to be detected in Egyptian plans to "assist" the agricultural development of the Sudan. In a remarkably frank speech made by Major Salem in Alexandria last July, it was made clear that the Sudan's future role would be to produce food and raw materials to feed the people and industries of Egypt. It

did not appear that cotton, on which the Sudan's economy depends, was to have any part in these plans.

'The Egyptian Minister of Propaganda is reported to have said the other day that his Government has "struggled for the liberty, dignity and independence of the Sudan". I think the cases I have quoted will give the House some idea of the kind of "liberty, dignity and independence" he has in mind.'

'These activities have been accompanied by a stream of propaganda denouncing us as imperialists intent on reducing the Sudan to the status of a colony.'

'In face of repeated provocative actions and statements we have maintained a patient and conciliatory attitude; but we are determined to do our utmost to ensure free elections and thereafter unfettered self-determination.'

Anglo-Egyptian Negotiations

Dealing, during the debate on 5th November, with current informal discussions between Egypt and the United Kingdom on the future of the UK treaty base in the Suez Canal Zone [see 15.10.53 2b(63)], Mr. Eden said that his expectation towards the end of October that agreement might be reached with Egypt on the remaining outstanding points had not been fulfilled. Negotiations were still in being, but in a state of what might be called 'suspended animation'. The UK Government had made its position clear and its offers remained open. A satisfactory agreement was still possible, but in the meantime his Government were content to wait.

Mr. Nutting, speaking later in the debate, said that the danger of a possible renewal of hostilities in the Middle East and the safeguarding of the freedom of navigation through the Suez Canal, were matters which were very much in the mind of the UK Government. There was a limit to what could be properly included in the scope of an agreement revising the Anglo-Egyptian Treaty of 1936 covering the defence of the Suez Canal area. But whatever the limits of the present discussions or of any agreement reached as a result of them, the Tripartite Declaration of 25th May 1950 on the 'maintenance of peace in the Middle East' [see 2.6.50 2(e) p.9] remained in force, as did the UK Government's pledges to uphold it.

Death of King Ibn Saud of Arabia

Messages of Sympathy from United Kingdom

A message of condolence was sent by Her Majesty the Queen to HM King Saud Ibn Abdul Aziz of Saudi Arabia, the death of whose father, King Ibn Saud, occurred on 9th November. The Queen said that she was 'deeply grieved to learn of the death of Your Majesty's illustrious father. By his wisdom and courage he earned for himself an immortal place in the history of his country and of the world. In offering my sincere condolences on your country's great loss, I extend to Your Majesty my best wishes for a long and prosperous reign'.

The UK Prime Minister, Sir Winston Churchill, sent a message of condolence to HM King Saud in which he expressed his distress at learning the news of the death of King Ibn Saud. 'His long friendship with the British people in war and in peace,' Sir Winston stated, 'has been a matter

of satisfaction to us, and his statesmanship was a source of strength to the whole world.'

A message of 'deepest sympathy' was also sent by Mr. Anthony Eden, UK Foreign Secretary, to the Amir Faisal, second surviving son of the late King and Foreign Minister of Saudi Arabia.

The long friendship between Saudi Arabia and the United Kingdom dates from the first two decades of this century, when Ibn Saud was struggling to recover his patrimony in central Arabia. A brief account of the late King Ibn Saud's life, and of his part in the creation and development of the new Arab Kingdom to which he gave his family name, will be found in *Appendix III* (roneoed) to this issue.

UK Trade Mission to Middle East

The President of the Board of Trade, Mr. Peter Thorneycroft, announced in the House of Commons on 23rd October that he had decided to send a trade mission of prominent business men to the Middle East in November. 'The Governments of the countries to be visited', he said, 'have informed Her Majesty's Government that a mission would be welcome and . . . Sir Edward Bentall has accepted my invitation to lead it. The mission will be in a position to convey to these countries our desire and our ability to help them in the development of their economies, and will be qualified to suggest means by which we may increase the export to them of our goods and services.'

Mr. Thorneycroft prefaced this announcement by the following background: 'There are very important export markets in the Middle East. The oil-producing countries, Iraq, Kuwait and Saudi Arabia, are now receiving considerable sums in oil royalties, which are being used to finance large-scale development programmes, and we must do all we can to encourage them to spend these earnings in the sterling area, and particularly on United Kingdom manufactures. Syria and Lebanon, though not oil producers, are substantial and expanding markets in themselves, and Lebanon is also an important centre of entrepot trade.'

Trade in 1951 and 1952

The table below shows the value of trade between the United Kingdom and certain Middle East countries in 1951 and 1952. The principal UK exports to these countries include iron and steel and manufactures thereof, machinery, vehicles, sugar and tobacco. UK imports from these countries consist predominantly of crude petroleum.

VALUE OF UK TRADE WITH CERTAIN MIDDLE EAST COUNTRIES

Country	UK Exports and Re-Exports (£ million)		Imports into UK (£ million)	
	1951	1952	1951	1952
Iraq	16.8	22.2	15.4	52.2
Kuwait	*	10.0	*	137.4
Lebanon	7.6	7.4	1.0	0.5
Saudi Arabia	3.7	7.3	37.3	35.6
Syria	5.0	5.5	3.7	10.8

*Figures not available.

UK Policy in the Far East

The UK Secretary of State for Foreign Affairs, Mr. Eden, reviewed certain aspects of the Far Eastern policy of the United Kingdom Government in the course of a foreign affairs debate in the House of Commons on 5th November.

He said that the accumulated tensions between East and West, Communist and non-Communist, had first struck a live spark in the Far East, which in his judgment was still the most dangerous of the spheres which had to be dealt with. [For Mr. Eden's remarks on other aspects of East-West relations see 1a in this issue.]

Korea

Mr. Eden said that, when the Korean war was at its height (in 1950-51), few people would have dared to be certain that it could be contained 'within the boundaries of that small but afflicted country'. It had been a notable achievement to contain the hostilities within Korea, made possible only by the 'unprecedented restraint' exercised by the States contributing forces to the UN effort. Mr. Eden paid a particular tribute to the self-control in this matter of the United States, which had suffered heavy casualties and had put forward 'an immense effort' in this cause.

The ending of the Korean fighting had been an achievement for the peace of the world, a solid gain. There were now three tasks before the free world: the armistice must be maintained, the question of prisoners of war must be settled, and a political conference must be brought about.

Maintenance of an Armistice

The maintenance of the Korean armistice was an immediate essential. Hostilities must not be allowed to begin again. The United States, he knew, were determined to do all in their power to prevent this, and the UK Government, too, were constantly working for the same end.

The Prisoner-of-War Question

The two remaining tasks were laborious, and the difficulties 'near kin to those we had to surmount before we got an armistice at all'.

'In all this stubborn disputation', Mr. Eden declared, 'there are certain principles to which we must hold. We believe that each prisoner should have a free choice whether to go home or not, and we do not think that pressure should be put upon prisoners or that they should be forcibly compelled to attend interviews if they do not want to do so. We also hold that they should not remain indefinitely in detention. This view, we maintain, is supported by the terms of reference of the Neutral Commission' [see 11.6.53 2c(50-52)].

The Korean Political Conference

Mr. Eden referred to the current discussions between representatives of the Communist Governments and the United Nations at Panmunjom [see 29.10.53 2c(100)]. These discussions had run into familiar obstacles and difficulties.¹ The UN spokesman, Mr. Dean, was, he said, 'showing

¹On 6th November the Communist representatives at Panmunjom accepted a proposal, made by Mr. Dean on 5th November, that the plenary meetings should be recessed and there should be meetings of advisers, two from each side, to consider the question of the agenda, on which no agreement had been reached in the plenary meetings. No details of the progress of the subsequent meetings of advisers have been made public.

an admirable combination of patience and firmness' which, Mr. Eden trusted, would bear fruit.

'We and our Allies are working very hard to bring about this conference, because we know that if once we can achieve a Korean settlement then we can move on to the wider relaxation of tension in the Far East.'

UK Relations with China

Turning to the relations between the United Kingdom and the Chinese People's Government, Mr. Eden declared that the UK Government's policy was 'to work for peaceful relations with China. Just as we did not hesitate to take our part in the decision of our predecessors to resist Chinese aggression in Korea, so we should be the first to welcome a reversal of Chinese policy. It must surely be in China's own interest to keep open the lines of contact with the Western world. We should be ready to help her to do so, but this of course assumes that the policy of Chinese aggression against a neighbour is for all time abandoned.'

For a summary of the views of the Soviet Government on Far Eastern questions, as expressed in the Soviet Note of 3rd November to the French, UK, and US Governments, see 1a in this issue.

Indo-China

Franco-Laotian Treaty of Friendship Signed

On 22nd October a Treaty of Friendship between France and the Kingdom of Laos was signed in Paris by the King of Laos and the President of the French Republic. The new Treaty supersedes the Franco-Laotian Treaty of 19th July 1949 by which Laos, formerly a part of the Indo-Chinese Union, became an Associate State within the French Union.

The chief provisions of the new treaty are as follows:

1. 'The French Republic recognizes and declares that the Kingdom of Laos is a fully independent and sovereign State. In consequence Laos is to be substituted for the French Republic in all the rights and obligations resulting from all international treaties or private conventions contracted by the French Republic in the name of the Kingdom of Laos or of French Indo-China previously to the present convention.' [Article I.]
2. 'The Kingdom of Laos freely reaffirms its membership of the French Union, an association of independent and sovereign peoples free and equal in rights and in duties. . . .' [Article II.]
3. The two States undertake to participate jointly in any negotiations to modify the present conventions [the Pau Conventions of 1949] linking the Associate States with each other. [Article IV.]
4. The terms of the association between France and Laos are defined in special conventions annexed to the new treaty. These concern *inter alia* the transfer to Laos of diplomatic and judicial duties and certain military powers reserved to France under the 1949 agreement. Further conventions, dealing with economic and financial matters, are to be concluded later.

Relations between the Associate States and France

Negotiations between France and the other Associate States, Cambodia and Viet Nam, in implementation of the French declaration of 3rd July

[see 9.7.53 2c(60)], are still proceeding. As a preliminary to Franco-Cambodian negotiations on the main issues, agreements have been reached between France and Cambodia on the transfer to Cambodia of police and judicial powers and of the control of the greater part of the Cambodian armed forces, including part of those embodied in the French Union forces. The transfer of police and judicial powers to Cambodia took place on 29th August and agreement on the military transfer of power was signed on 19th October.

The Head of State of Viet Nam, HM Bao Dai, has recently returned to Saigon from France to agree with his Government on terms of reference for the forthcoming Franco-Vietnamese negotiations.

Treaty Welcomed by UK Foreign Minister

Speaking in the course of a foreign affairs debate in the House of Commons on 5th November, the UK Secretary of State for Foreign Affairs, Mr. Eden, welcomed the Franco-Laotian treaty and said that his Government hoped that there could be similar treaties with Cambodia and Viet Nam. This, he said, would help the French Government towards their objective, which was to secure a settlement of the war in Indo-China while safeguarding the liberties of the three Associate States within the French Union.

Meanwhile, France had done much to strengthen the military position. Locally recruited armies were being rapidly expanded [see 26.3.53 2c(29)] and substantial reinforcements to the French Union forces were on their way, or had arrived, from Europe, North Africa and Korea. Mr. Eden concluded by saying: 'Whether successful negotiation is possible, as we all hope, or whether fighting is to continue, we in this country understand full well the burden which our French friends have to carry and how much depends upon the outcome.'

Chinese Troops in Burma

Partial Evacuation Begins

The UN General Assembly's Political Committee started, on 31st October, discussion of the question of Chinese Nationalist troops in Burma. On 5th November the Committee adopted, by 50 votes in favour to 3 against, a resolution (sponsored *inter alia* by India, the United Kingdom, Canada and Australia) which postponed further consideration of the question until not earlier than 23rd November.

According to press reports the first stage in the evacuation of the 2,000-strong 'hard core' of the Chinese troops in Burma began on 8th November. They will be flown from Thailand to Formosa under US, Thai and Chinese Nationalist military supervision.

UK Government's Views

Speaking in the debate leading up to this resolution, Mr. Selwyn Lloyd, UK representative, recalled the General Assembly resolution of 23rd April 1953 [see 30.4.53 2c(39)] and declared that the Assembly still stood by the position then taken. 'The continued presence of these armed forces in Burma', he said, 'not pursuant to any treaty rights and without any other justification, is an intolerable infringement of the sovereignty of a member State.'

He then paid tribute to the efforts of the US Government in securing, on 16th October, after months of negotiations in Bangkok, agreement

between representatives of the Chinese Nationalist authorities, the US Government and the Thai Government on a new plan to evacuate at least a proportion of the intruding troops involved. The UK Government hoped that the plan would be successfully put into effect. 'The value of such a plan depends on its results and we have still to see whether all the undertakings given will be honoured.'

Mr. Lloyd referred to the small proportion of the troops which were to be evacuated under the new plan—2,000 out of some 12,000. Though the evacuation of this number, as had been pointed out by the representative of Burma, would not of itself solve the problem, it would make a material contribution toward a solution. Once the 'hard core' of these forces was removed it would be easier for the Burmese authorities to deal with the remainder.

A most important question, he continued, was that of the effective stopping of further supplies to the remaining forces. He noted the 'most important' declaration by the Chinese Nationalist Authorities in Formosa on 8th October that they would have no desire to furnish the remaining forces with any form of material support. The representative of China had assured the Committee that this obligation not to furnish supplies was 'absolute and all-inclusive'.

Quoting the Nationalist Authorities' statement that: 'The Chinese Government will have no desire to maintain any relations with those [KMT forces] who will have chosen to remain behind in Burma', Mr. Selwyn Lloyd said he would share the Burmese Government's concern if this statement were intended to mean that the Nationalist Authorities would, after the evacuation of the 2,000, wash their hands of responsibility in the matter. The fact that these forces ever established themselves in Burma must remain at least the moral responsibility of the Chinese Nationalist Authorities. These Authorities could and should continue to persuade the remaining troops to submit to being disarmed whatever this step ultimately led to—whether evacuation, internment or disbandment—and they should give a clear indication of their desires in this matter.

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East-West Relations

UK Reply to Soviet Note

The text was published on 16th November of a UK Note replying to the Soviet Note of 3rd November [see 12.11.53 1a(85)]. The Soviet Note had failed to reply specifically to the invitation of the Western Powers to attend a four-Power meeting at Lugano on 9th November [see 29.10.53 1a(78)]. It had, instead, made counter-proposals for the convening of a five-Power conference, to be followed by a four-Power conference on Germany, and had laid down certain pre-conditions for these meetings. The UK Government stated in its Note that these demands by the Soviet Government were totally unacceptable. It could only be concluded from the Soviet Note that the USSR did not wish to enter into any further negotiations, but the UK Government remained determined to seek agreement on questions relating to the lessening of international tension by all appropriate means.

The Soviet Minister of Foreign Affairs, M. Molotov, had commented at some length on the Soviet Note of 3rd November in the course of a statement made to the Press in Moscow on 13th November, but made no substantial clarification of the Soviet proposals contained in that Note. He again advocated the convening of a five-Power conference, with the same unacceptable pre-conditions. In reply to a question, M. Molotov added that the Soviet proposal for a conference meant, 'firstly, that the conference should be attended by all the great Powers without any exception whatsoever; secondly, that the participants in the conference should not be tied beforehand by obligations to restrict themselves to the examination of any particular unsettled international question, but can reach agreement to consider any urgent question if it be recognized that the settlement of this question would help to reduce tension in international relations.'

TEXT OF UK NOTE

'Her Majesty's Government in the United Kingdom, in close consultation with the Governments of France and the United States of America, have carefully studied the Soviet Government's Note of 3rd November in reply to the Note of 18th October, in which Her Majesty's Government proposed that the four Ministers of Foreign Affairs should meet at Lugano on 9th November. The Government of the German Federal Republic and the German authorities in Berlin have also been consulted.

'Her Majesty's Government note with regret that the Soviet Government have, for the third time within the past four months, ignored their invitation to discuss the most urgent international problems. Her Majesty's Government are still of the opinion that the best way of reducing international tension is to persevere in constructive efforts for the progressive solution of outstanding problems, starting with those which most urgently require an early settlement. With this in mind, Her Majesty's Government proposed a meeting of the four Foreign Ministers in order to reach agreement on Germany, especially on its re-unification in freedom, and on the Austrian State Treaty. In the same spirit they are continuing their efforts to enable the Political Conference on Korea to take place.'

'To judge from their Note of 3rd November, the Soviet Government contemplate a meeting of Foreign Ministers with the participation of the Minister of Foreign Affairs of the Chinese People's Republic, of such a different character that it would not only become involved in futile and endless debate, but would also prevent all progress in the settlement of questions which are both urgent and concrete.'

'Her Majesty's Government laid down no conditions in their invitation and made every possible effort to take into account the views of the Soviet Government. But the latter have made a meeting of the Foreign Ministers conditional upon the acceptance of a number of demands. Some of these have no relation to Europe, but must, in the Soviet view, be met before even the study of European problems could be initiated. Others would entail the abandonment by the United Kingdom, France and the United States of all their plans to safeguard their own security. A defenceless Western Europe appears to be the price demanded by the Soviet Government for participation in a conference. The Soviet Government must be well aware that such demands are totally unacceptable.'

'Her Majesty's Government can only conclude from the latest Soviet Note that the Soviet Government do not wish at the present time to enter into negotiations which might have positive results. They nevertheless remain determined to seek, by all appropriate means, agreement on the most urgent questions, the solution of which is essential to the lessening of international tension. Therefore they leave open the invitation addressed to the Soviet Government on 18th October. Her Majesty's Government are convinced that the negotiations on these vital problems would open the way to broader agreement, and would thus improve the chances of re-establishing real peace in the world.'

President Eisenhower's Speech to Canadian Parliament

The President of the United States made a speech before the Canadian House of Commons in Ottawa on 14th November, in the course of which he reaffirmed the unity of purpose and principle existing among the free peoples of the world. The 'basic threat of Communist purpose' still existed, he said, but differences could be resolved and tensions relieved. Beyond the shadow of the atomic cloud the horizon was bright with promise.

After demonstrating the similarity between the aims and ideals of much of Canadian and United States foreign and domestic policy, President Eisenhower commented on the Soviet Note of 3rd November. 'The latest Soviet communication to the Western world is truculent', he said, 'not to say arrogant in tone', and 'the basic threat of Communist purpose still exists.' Nevertheless the United States was willing, and indeed anxious, 'to discuss with friends and with any others all possible paths to peace'. The United States would use every means, from normal diplomatic exchange to the forum of the United Nations, to further the search, and welcomed 'ideas, expressions of honest difference, new proposals and new interpretations of old ones, anything and everything honestly offered for the advancement of man's oldest aspiration. There are no insoluble problems', he continued, 'differences can be resolved, tensions can be relieved.' The free world, he believed, held firmly to this faith, striving earnestly towards what was just and equitable. It believed 'that practical problems should be solved practically; that they should be solved by orderly procedure, step by step, so that the foundation for peace', which was being built by the free nations, would be 'solid and unshakable.'

The Bermuda Conference

It was announced from No. 10 Downing Street on 26th November that among those who would accompany the UK Prime Minister, Sir Winston Churchill, to the three-Power conference in Bermuda at the beginning of December [see 12.11.53 1a(88)], would be Lord Cherwell, the former Paymaster-General. The UK Foreign Secretary, Mr. Eden, would be accompanied at the conference by Sir Pierson Dixon, Deputy Under-Secretary of State at the Foreign Office, who has recently been appointed UK permanent representative at the United Nations.

Mr. Selwyn Lloyd, the UK Minister of State, referred to the proposed Bermuda conference in the course of a speech in the Political Committee of the UN General Assembly on 23rd November, during discussion of the Soviet item 'measures to avert the threat of a new world war'¹. M. Vyshinsky, the Soviet delegate, said Mr. Selwyn Lloyd, had expressed some doubts about the forthcoming conference and had said that the meeting could only intensify tension. 'In fact', Mr. Selwyn Lloyd stated, 'its purpose is precisely the contrary. It is not directed against anyone or any country. We have no objection to Mr. Mao Tse Tung visiting Moscow to discuss common problems with M. Malenkov. I cannot understand why M. Vyshinsky should make a grievance out of the fact that the President of the United States and the Prime Ministers of France and Britain are to meet, together with their Foreign Ministers, at Bermuda. The three Powers are close allies. There is a unity in our beliefs which is reflected in the unity of our approach to the problems of the present day. It really is no good trying to persuade the world that this is anything more than a normal and friendly meeting between the leaders of friendly States.'

Freeing Trade and Payments

Article by Mr. Maudling

The text of an article by Mr. Maudling, Economic Secretary to the UK Treasury, dealing with the subject of freeing international trade and payments, is reproduced as an *Appendix* to this issue of *International Survey*. The article was published on 18th November 1953 in the *Foreign Trade Supplement* of the *New York Journal of Commerce*.

Mr. Maudling emphasized the need to strive for a 'one-world' system of trade and payments. 'The vital link in the whole process is the relation between the pound and the dollar.' This implied 'the adoption of suitable policies in the sterling world and in the dollar world'. There was a close connection between internal and external policies, and Mr. Maudling described the steps taken to free the United Kingdom economy 'as part and parcel of our policy of setting our internal economy on a more healthy footing and of banishing inflationary tendencies'. But, in the approach to freedom in international trade, there was need to provide adequate funds to back countries whose inadequate reserves placed them at the mercy of temporary fluctuations, and it was also important for creditor countries to adopt suitable policies. In connection with this last consideration, Mr. Maudling spoke of the difficulties the United Kingdom and other countries were finding in exporting to the United States.

¹The debate on this matter will be reported in a later issue of *International Survey*.

CORRECTION

*In the issue of 12.11.53 (No. 140) 1a(82), line 6, for '4th November'
please read '3rd November'.*

UN Technical Assistance

Pledges for 1954 Programme

The United Kingdom Government has pledged £600,000 (\$1,680,000)—£100,000 more than in 1953—for the United Nations Expanded Technical Assistance Programme in 1954, plus an additional sum of £50,000 if the total pledged by all countries exceeds the equivalent of \$25 million. It is intended to make an advance payment of £150,000 early in January 1954 in order to assist the administration of the programme.

This was announced by the UK delegate to the Technical Assistance Conference—the fourth of its kind—held at United Nations Headquarters in New York on 12th and 13th November to receive pledges from member governments of the United Nations and specialized agencies. A total of \$23,605,000 was pledged, excluding amounts which may be added under the 'matching arrangements', such as those mentioned in connection with the United Kingdom's pledge. The United States pledge took the following form: \$12,750,000 as soon as other governments had pledged a total of \$8,500,000, plus two-thirds of the amount in excess of this \$8,500,000 up to a total of \$14,750,000.

Use of the Funds

A unanimous resolution of the General Assembly on 23rd October recognized the important contribution the programme was making to economic development; expressed the desire that it should continue; urged governments to contribute in 1954 not less than the \$25,300,000 approved for the work in 1953; requested the Advisory Committee on Administrative and Budgetary Questions to review the administrative procedures and administrative expenditures, financed from the programme's funds, of the Technical Assistance Board (TAB) and of the participating organizations whose work the TAB co-ordinates; and invited those countries in a position to do so to take steps, within their constitutional limitations, to ensure financial support for periods of longer than one year. The resolution also approved the following arrangements for the use of the funds pledged:—Seventy per cent of the paid-in contributions would be automatically divided amongst the United Nations and specialized agencies taking part in the expanded programme, in accordance with the established formula: 23 per cent to the United Nations; 11 per cent to the International Labour Organization; 29 per cent to the Food and Agriculture Organization; 14 per cent to the United Nations Educational, Scientific and Cultural Organization; 1 per cent to the International Civil Aviation Organization; and 22 per cent to the World Health Organization. The balance, including the sum carried over from previous years, would be kept in reserve to cover the necessary minimum expenses of the TAB and for further allocation among the participating organizations as the TAB approved. The need for economy in administrative costs would be fully taken into account, a point which had been made by Sir Clifford Norton, the UK delegate, during the course of the General Assembly debate on the programme. Sir Clifford also stressed the importance of realistic planning, and welcomed the fact that the programme showed increasing evidence of mutual co-operation instead of perpetuating the distinction between developed and under-developed countries. Commenting on the feeling that the programme had reached a period of crisis due to shortage

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of funds, he pointed out that the so-called crisis arose from the basically healthy situation whereby Governments now had confidence in the programme, so that there were more projects than funds; any project had now to be really worth while to qualify for execution.

UN Children's Fund

UNICEF Made a Permanent Institution

The UN General Assembly decided on 6th October, by a unanimous vote, to implement the recommendation of ECOSOC to make the United Nations International Children's Emergency Fund a permanent institution and to re-name it the United Nations Children's Fund, but to preserve the familiar and easily pronounceable abbreviation UNICEF.

Summing up the debate, in which 25 delegates had praised the work of the Fund, the President of the Assembly, Mrs. Vijaya Laksmi Pandit of India, said that the unanimous vote was a recognition of UNICEF's success in reaching tens of millions of children the world over, with both emergency and long-range assistance.

In the Assembly discussion before the vote, Mrs. T. A. Emmet, of the United Kingdom, said that UNICEF 'represents to millions of peoples throughout the world the United Nations in action' and was making one of the 'most important contributions to world progress towards creating the necessary social conditions for a lasting peace'.

In the House of Commons on 5th November, the Joint Under-Secretary of State for Foreign Affairs, Mr. Nutting, announced that the UK contribution for 1954, £200,000, would be double that for 1953.

Agreement with United Kingdom

An agreement between the United Kingdom and UNICEF on the rendering of assistance in UK dependent territories was signed on 7th October. It provides that UNICEF shall be prepared, at the request of the Governments of these territories, to give help, within the limits of its terms of reference and its resources, to persons in these territories who need such help. Plans of operations to be made between UNICEF and the Government of any territory concerned (acting with the authority of the UK Government) will specify the projects to be undertaken, the supplies and services to be provided by either party and the means by which proper distribution and use will be assured.

The agreement also lays down certain principles and conditions governing the rendering of assistance, guarantees to the officers of the Fund, rights of inspection and assistance in obtaining local staff, and grants, privileges and immunities, similar to those accorded to the United Nations, in respect of the assets, income, property and staff of the Fund.

Disarmament

UN General Assembly Proceedings

On 18th November, the First Committee of the UN General Assembly adopted a resolution on disarmament, sponsored by 14 Powers¹, by 54 votes to 0, with 5 abstentions (the Soviet bloc) and Burma not participating. The resolution, which in its final form incorporated some suggestions embodied in a number of Indian amendments to the original draft, requested the Disarmament Commission to continue its efforts to reach agreement, and suggested that the Commission 'study the desirability of establishing a sub-committee consisting of the Powers principally involved, which should seek in private an acceptable solution . . .' [For a fuller summary of the resolution see 1c(32).] Soviet amendments which would have had the effect of bringing it into line with their own viewpoint were rejected.

Soviet proposals which have featured for some time in UN debates on disarmament—i.e. unconditional prohibition of atomic weapons and 'simultaneous' establishment of control, one-third reduction of the forces of the great Powers, a disarmament conference, the elimination of bases on foreign soil, and the ending of propaganda tending to increase the threat of war—were submitted in the form of a resolution in the context of another item in the Political Committee's agenda, 'Measures to avert the threat of a new world war . . .', which is at present being discussed. This debate will be summarized in a future issue.

In the debate summarized here, the Political Committee were discussing the report of the Disarmament Commission. The Commission held only one meeting in 1953, when it adopted on 20th August a brief report in which it expressed the hope 'that recent international events will create a propitious atmosphere for the reconsideration of the disarmament question . . .' A background to the present discussions, including a summary of the 1952 proceedings of the Disarmament Commission, will be found in R.F.P. 2543 (I.1c) of February 1953, *The Disarmament Question 1945-53*.

STATEMENT BY MR. SELWYN LLOYD

Opening the debate, Mr. Selwyn Lloyd (UK) said that there had been general agreement in the Commission that it should suspend its work, in the hope that the conclusion of an armistice in Korea might create a better international climate and thus increase the prospects of progress over disarmament. He recalled that, during the 1952 debates of the Commission, the UK, US and French delegations had put forward working papers and proposals as a basis for discussion, but 'we were subjected to a repetitive flow of accusations and recriminations; our proposals were greeted with reflections on our motives; we were accused of espionage and evasion; our attempts to seek elucidation of the obscure general terms in which Soviet proposals had been enunciated were ignored or derided'. As a result the Commission had been able to do no more than give 'a factual account of its very frustrated proceedings'.

¹Brazil, Canada, Chile, China, Colombia, Denmark, France, Greece, Lebanon, New Zealand, Pakistan, Turkey, the United Kingdom and the United States.

International Tension and Disarmament

Disarmament, Mr. Selwyn Lloyd said, had to be considered in relation to other world events and to the lessening of international tension. But also, he believed that progress in reaching agreement on a comprehensive and co-ordinated disarmament programme with adequate safeguards would itself contribute towards the reduction of tension. Progress in the two fields could, and should, be sought concurrently.

He believed that since February 1953 tension had been somewhat reduced. 'There have been indications of improvement in the international atmosphere; the feeling that another world war is imminent has lessened. A situation has been created in which both sides can, without loss of prestige, proceed to negotiate settlements of outstanding issues.'

Mr. Selwyn Lloyd went on to formulate three propositions concerning the fundamental difficulties to be surmounted.

In the first place, no body of intelligent men and women could dispute the danger for the world in an ever-continuing and increasing race in armaments. 'It is sometimes suggested that there are vested interests in armament manufacture which would wish to block disarmament. I do not believe that to be the case. I think there is agreement throughout the world on this matter. The general wish is to reduce conventional armaments and armed forces and the burden which they put upon our economies. The general wish is to eliminate altogether the use, and power to use, atomic, bacterial, chemical and all other weapons of mass and indiscriminate destruction. An armaments race, to the utmost limit of everyone's resources, is not only economically unsound, but in itself is a grave danger to peace. This first proposition, I believe, cannot be disputed.'

Secondly, responsible governments would only find themselves able to dispense with 'this burdensome and indeed terrible protection' when they felt secure enough to do so. 'This security must come in part from the reduction of the areas of likely conflict between nation States, and so from a relaxation in tension, and in part from the introduction of a watertight system of safeguards and controls. Let us face facts. It does not matter how many verbal declarations have been given; it does not matter how comprehensive and how far-reaching are the paper formulae evolved. Nations will only in practice feel secure if they know through reliable international sources, properly informed, with adequate means of obtaining information, that in fact these fine -sounding declarations are being meticulously observed. It is not simply a question of adherence to this convention or the other. It is not a question of slogans and phrases, or of promulgating paper bans on this or that. Nations will only feel secure, I repeat, if there is an adequate system of inspection and, where necessary, control, operating with impartiality and efficiency, and endowed with adequate powers.'

'In support of this proposition, one can perhaps draw an analogy from the domestic field. In my country most people feel secure, for example, against the crime of robbery with violence. We do not feel secure just because there is a law against it or because judges have said it is a very wicked crime. Nor would we feel secure if the leading criminals were to announce that they did not intend to rob anybody violently in the future. The reason we feel secure is because we know that there is a fully competent police force, backed by public opinion, with the necessary powers and authority to prevent this crime; in addition, we know that in the very occasional cases where the efforts of the police to prevent fail, there is an adequate judicial system with

appropriate powers to punish malefactors. And it is really much the same in international affairs.'

His third proposition, Mr. Selwyn Lloyd said, followed on the second. 'It is that this security, which is an essential prerequisite for countries to give up or limit their arms or submit them to examination, will only come if there is an agreed system of inspection and of control, with the necessary safeguards. To pursue my last analogy, it is not enough simply to make the law; we have also to set up the system to apply the law, and we have to provide servants for that system, with adequate powers and the necessary technical equipment. Until all that has been done there can be no feeling of security. At the same time, we have to set up the judicial system which will deal with breaches of the law. There is no lack of scope here for the Disarmament Commission to get down to practical work.'

'Past experience has made nations suspicious, even more suspicious now than when attempts to achieve disarmament were made between the wars. The technical difficulties of ensuring the limitation of armaments and the effective elimination of the newer and more appalling weapons of mass destruction—chemical, bacterial, atomic, etc.—are extremely complex, particularly if we have, at the same time, to avoid undue interference in the national life and internal economies of nation States; in other words, if we have to respect national sovereignty. But I do not believe that these difficulties are beyond the wit of man to overcome.'

The Soviet Proposals

If these propositions were accepted, Mr. Selwyn Lloyd said, it would be clear why his and other governments had, with the best will in the world, been unable to accept 'the sort of proposal which the Soviet Union has put forward with so little variation over the past five years or more', and which had turned up again in proposals to be considered under the next item in the Committee's agenda.

'The first operative paragraph of this draft resolution', Mr. Selwyn Lloyd went on, 'repeats the demand for a declaration or "decision" banning atomic, hydrogen and other types of weapons of mass destruction. Thereafter, and only thereafter, steps are to be taken to prepare and implement an international agreement to assure that this ban is carried out. May I recall what I said in this Committee on 11th December 1951 on the similar Soviet proposal of the time? I pointed out then that Mr. Vyshinsky rejected the conception of stages in the proposals co-sponsored by my Government and later embodied in the resolution of 11th January 1952. Yet, the Soviet plan itself clearly involves a succession of stages: first, the declaration, and then the Security Council has to prepare an international agreement to ensure the establishment of international control over the observance of the ban—and included in that is an instruction to the Security Council to take steps to implement this agreement. In other words, the Security Council has to agree on the system to control observance of the ban, and then that system has to be set up, staff recruited, communications provided, etc. These might well be long and contentious processes. Until they were completed, there would simply be a declaration unsupported by any means of enforcement. If we were to make such a declaration, I do not believe that, in present circumstances, the Soviet Union would put much faith in it. And if the Soviet Union were to make such a declaration, I believe that our reaction would be precisely the same.'

'Next the Soviet draft recommends, once again, a one-third cut within a year in the armed forces of the five permanent members of the Security

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Council. There is no mention of any kind of verification or control, and apparently Mr. Vyshinsky does not contemplate the establishment of any kind of control before the agreement to make such cuts is entered into. We have already explained very often why an agreement to make a percentage cut of this kind would not, in our opinion, contribute to peace. No one would know from what level such cuts were being made, nor could we have any assurance that the other parties were in fact making the agreed cut. Even if they did, it would only accentuate the existing disequilibrium in conventional armaments, in which the Soviet Union has so great a superiority. It would not help at all.

Then, after the proposal for a one-third cut by the great Powers, there is the usual recommendation for an international conference for the carrying out by all States of the reduction of armaments. My Government are always willing to meet with other Governments to try to solve international problems, but we believe that conferences on specific subjects are useless unless there are concrete proposals to be discussed. That was why we supported the resolution on disarmament, adopted at our sixth session. This recommended a conference of all States to consider the proposals for a draft treaty (or treaties) to be prepared by the Disarmament Commission as soon as the work of the Commission should have progressed to a point where, in the Commission's judgment, any part of its programme was ready for submission to Governments. That would be a useful conference with something concrete for it to discuss. The Soviet Union however, want a conference to be called without any preparatory work and with the vaguest terms of reference.

The position about these conferences is becoming absurd. We have invited the Soviet Union to a conference on Germany. They will not come. They have laid down certain conditions. They will not talk unless these have been accepted. We have invited certain Communist authorities to a conference on Korea. They won't come because they don't like the composition of the conference. Over disarmament, when there is already in existence a body such as the Disarmament Commission, on which the USSR is represented—a sort of standing conference—the Soviet Union ask for a new conference on the vaguest possible basis.

All sorts of difficulties are made about the assembling of any conference that could get on with practical work. When it is quite obvious that a conference could only provide a platform for more propaganda speeches—in other words, do no useful work—the Soviet Union are its enthusiastic sponsors. This attitude, which at times seems to be quite cynical, is discouraging and, indeed, exasperating.

Economic Opportunities in a Disarmed World

It seemed to the United Kingdom that there was no alternative to hard work in the Disarmament Commission in preparation for decisions on disarmament, and the Commission was perfectly well qualified to face its tasks, given real co-operation between its members. With this in mind, the United Kingdom Government had joined in sponsoring the resolution under discussion. 'In this resolution we have set out the conditions which, in our view, make progress in the disarmament field possible and necessary. We affirm our responsibility in this field. We draw attention to these conditions for disarmament, which I described in my three propositions. As I said in the general debate, uncontrolled expansion and development of national armaments and weapons of mass destruction have made the prospects of a war not only repugnant but appalling, and we know now that if it came it might well wipe life off the surface of the globe. The prospects for humanity, if we cannot control these monstrosities which we have created, are too terrible to imagine.'

'But it is not only a matter of ensuring our survival. In our resolution, we draw attention to the possibilities open to the world if once the burden of armaments can be removed from our shoulders. If we can do this the economic opportunities before us should be bright. President Eisenhower described earlier this year the constructive work which could be done with the monies now spent on armaments. In his speech on 3rd November [see 12.11.53 1a(83)], my Prime Minister referred to the swiftest expansion of material well-being that has ever been within the reach, or even within the dreams, of the human race, and that might come about if we were to be freed from the dread of mass destruction.' This idea was embodied in the resolution. The United States had been making very large sums available to assist reconstruction in the under-developed areas of the world since the end of the war. 'We in the United Kingdom, by our schemes of colonial development and through such agencies as the Colombo Plan, have also been making substantial contributions. So have other countries'. It should not be supposed that the United Kingdom, or the other Governments sponsoring the resolution, were in any way retreating from or postponing their existing undertakings to assist in the financing of economic development at the present time to the largest extent feasible. 'But equally, I should hope that the lessening of the burden of armaments would make available additional funds for international assistance to the under-developed areas of the world.'

'We believe that, to secure a truly peaceful world, war has to be waged on hunger, poverty, disease and ignorance. Until these enemies have been defeated, the best of political settlements will be likely to break down.'

The sponsors of the resolution were asking for a new page to be turned, and a new start to be made on the task of working out practical arrangements for disarmament. 'There is an old saying: "Where there's a will, there's a way". That is the spirit in which I should like to see the Disarmament Commission dealing with its task.'

OTHER GENERAL DEBATE STATEMENTS

USSR. M. Vyshinsky said that the reason for existing tension was the armaments race, the 'military groupings' of some States against others, and the growing net-work of military bases on the territory of other States. He developed an attack along familiar lines on the Western Powers, which he said were basing their policy solely on force and paid no attention to the welfare of their people 'groaning under the burden of armaments', and particularly on the United States, where 'reactionary circles' were 'hypnotized with the psychosis of world domination'. The Disarmament Commission, he said, had based its deliberations on an 'obviously unsatisfactory plan of work'. It had contained the 'completely unrealistic' provision that by the establishment of control the prohibition of atomic weapons could be implemented. The plan for disclosure and verification, coupled with the system of stages, was aimed only 'at gathering intelligence data'. The USSR proposed an 'outlawing' of the atomic bomb, whose use for non-peaceful purposes must be treated as a crime. For his country, he could declare that it would 'strictly observe' such a ban. 'I publicly declare that if such a prohibition is declared not a thousandth of a millionth part of our budget will be used for the production of atomic weapons.' The USSR proposed simultaneous prohibition and control. It could be asked: 'why prohibition?' when it could only come into force when control was

established. The USSR, he explained, made 'a distinction between the juridical and physical coming into force'.

United States. Mr. Lodge expressed the hope that, now that fighting in Korea had stopped, the Soviet leaders would co-operate in 'practical steps to reduce international tension which will be reflected in developing a disarmament process'. Clearly, he said, 'no agreed, comprehensive and balanced disarmament programme can be put into effect until world tensions have been reduced by settlement of some of the major political issues between the Soviet Union and the free world'. It was, however, equally true that agreement on a disarmament programme would in its turn help to reduce international tensions. The joint draft resolution reflected this conception.

Disarmament was impossible, however, without international security, which depended on a change of mind and attitude on the part of the rulers of the USSR. 'So long as they believe that they have the only good idea for conducting human affairs—which idea they must impose on the rest of the world whether it likes it or not—and so long as they live in baseless fear that the rest of the world seeks to destroy their idea, just so long will Communist imperialism continue in all its manifestations: subversion of peaceful governments by force and violence, mendacious propaganda on the germ warfare model, and even promoting actual warfare as in Korea and Indo-China. Proper safeguards for conducting disarmament can only take place when the Iron Curtain no longer exists, so that we will know that they are doing as they can know what we are doing.'

Netherlands. M. Von Ballusek indicated that the process suggested by the Soviet Union, which began with the prohibition of atomic weapons, would leave the Soviet Union in a superior position in conventional weapons.

Venezuela. Dr. Perez Perozo said that the hopes of a more conciliatory attitude in the USSR after M. Stalin's death had been unfulfilled. There were signs that 'the waters are receding to their usual levels'.

Belgium. M. Loridan said that if the Disarmament Commission had not reached agreement it was only because of the 'systematic and fundamental opposition of the USSR'.

Canada. Mr. Johnson found the Soviet proposal retrogressive in nature. How were the West to know that the Soviet atomic plants were not increasing the Soviet stockpile, after the prohibition of bombs, but before the control system was agreed on?

Australia. Sir Percy Spender said that M. Vyshinsky had put forward old ideas which were unacceptable to the rest of the world. The control machinery would operate 'only periodically and subject to the veto in the Security Council'. The general reduction of one-third in armaments by simple declaration of intention was technically farcical, and would require the most complex working out in detail.

The hopes of many that the USSR had been ready to take a more reasonable attitude in international affairs, Sir Percy added, had been 'shattered by the harshness of tone displayed in Russian statements' during the General Assembly session, and by their inflexibility in negotiation.

New Zealand. Mr. Munro emphasized that the Soviet proposals were the same ones that the General Assembly had rejected year after year 'and for very good reason'. They not merely 'put the cart before the horse, but would leave us in the cart without any assurance that the horse would even be forthcoming'. The suspicion could not be escaped that the USSR was 'wedged in a completely immovable position'.

France. M. Moch outlined some 'working suggestions' for the Commission on the same lines as those put forward by the French representative in the Disarmament Commission in June 1952. These envisaged the synchronizing of three stages of disclosure and verification with parallel stages of reduction in armed forces and armaments.

Turkey. M. Selim Sarper said that an arms programme was always, strictly speaking, uneconomical, but when the alternative was slavery it served an economic purpose. Armament was an ugly symptom on the skin surface, and the cause of the symptom must be tackled. M. Sarper recalled that after the second world war the Western Powers had disarmed to a degree 'which prevented them from bringing their invaluable contribution to bear on the organization of the post-war world and in the establishment of a lasting peace.'

Only one voice could be heard, 'strong and ruthless', the voice of the one Power which had not disarmed but had in fact continued to increase its armed strength. 'One breach of international law followed another, one free people after another lost its freedom and independence.' The Western Powers, former allies of the country which now threatened them, could not remedy 'the fast-deteriorating international situation,' because their efforts were not backed up by force. What some people called the 'armaments race' had not started, but only continued, with the efforts of the West to catch up. The re-armament of the West, far from being a danger to peace, had so far served as a deterrent to a suicidal third world war.

UK ANSWER TO SOVIET ACCUSATIONS

On 13th November, M. Vyshinsky again attacked the Western Powers and their policies in even stronger terms than in his earlier speech, ranging over a wide field of current international affairs. He embarked on an account, from the Soviet point of view, of the correspondence between the Western Powers and Russia about Germany. In the course of this, he attacked Dr. Adenauer whom he accused of 'speaking in the language of a Hitlerite gauleiter'. M. Moch's so-called 'compromise' plan he said was in reality a plan for gathering intelligence data.

The Soviet Attitude

Replying to M. Vyshinsky, Mr. Selwyn Lloyd said that he was making these observations with a certain feeling of sadness in the face of M. Vyshinsky's 'disappointing' speech.

'We have been working on the assumption' he said, 'that there has been a certain diminution of tension in the world during the past few months, and on the assumption that what M. Malenkov said about the possibility of peaceful co-existence was feasible. This morning we listened to a violent series of denunciations, accusations and recriminations. We talk about reducing tension, and M. Vyshinsky this morning, more than once, talked about the necessity to reduce tension. But I wonder whether he ever thinks of that when he is considering the terms in which he should make his own speeches, because I do not think that anyone could say that tension had in any way been reduced by M. Vyshinsky's speech this morning.'

'Up to that speech', Mr. Selwyn Lloyd went on, 'I thought that there was some hope to be derived from this debate. I thought that, on the whole, we had had a useful and not unconstructive debate, and that we were going to be able to carry forward a little this business of peace-making. I must say, however, that the speech which we heard this morning

from the representative of the Soviet Union seemed to amount practically to a flat rejection of our approach, a flat refusal to make a fresh start in seeking a solution of the problems of disarmament. I felt, myself, that there was an icy wind blowing from the steppes from my left. I really do hope that the speech and its tone was too bad to be true. He made certain accusations, in the usual form, that the Anglo-United States bloc was unwilling to consider disarmament, that we were distorting the facts, that we were wilfully obscuring the issue, that we were wilfully evading the issues.' In a debate which one would have thought was designed to reduce tension, the Soviet representative had made a disgraceful statement about Dr. Adenauer.

The Western Standpoint

'I do not want to go into the past', Mr. Selwyn Lloyd continued. 'On the other hand, if one does not refute some of these allegations when they are made, the expectation no doubt is that, after a time, people will begin to believe them. M. Vyshinsky made a reference to the desire of the United States and the United Kingdom, and our associates, for armaments. That is a travesty of the truth. We deeply regret the necessity for armaments. But whose fault is it that the world has had to rearm? Since 1945, we have seen the massive rolling forward of the Soviets in Western Europe: we have seen the failure of the Soviets to disarm, while the United States, we ourselves and other countries disarmed; we have seen the tragedy of Czechoslovakia, the would-be onslaught on Berlin, the aggression in Korea. The North Atlantic Treaty Organization came into existence only in answer to the threat from the East. We in Western Europe feel that, more than anything else, we owe our security to the fact of the existence of the North Atlantic Treaty Organization, to the building up of the strength of a defensive organization to deter any further expansion of Soviet imperialism. The arming of the North Atlantic Treaty Organization is aimed simply at restoring a balance which has ceased to exist in Europe.

'We saw, through example, the folly of trying to negotiate with the Soviet Union from a position of weakness. At the same time, however, it is monstrous to say . . . that we and our allies want another world war. We have no aggressive intention against anybody. We do not covet one inch of Soviet territory. All we want is to be safe ourselves in our own countries.

'I thought that M. Vyshinsky put about as large a strain upon our credulity as could be imagined when he said this morning that there was no hint of a threat or danger to any of the Soviet Union's neighbours. I think he said that, if those neighbours were questioned, they would acknowledge that fact. Of course that matter depends upon which neighbours M. Vyshinsky is referring to and whether or not they are already within the Soviet orbit.

'Then M. Vyshinsky said that the Western Powers were seeking to avoid meeting the Soviet Union in conference to discuss how to reduce tension. The present position, however, is that we have said we shall go to a conference with the Soviet Union on the question of Germany, without any conditions at all; we are seeking to set up a conference to discuss Korea; we are prepared in the Disarmament Commission to get down to discussing with the Soviet Union the details of disarmament. Surely, those three topics—Germany, Korea and the increase in armaments—are leading to tension at the present time. Far from being unwilling to meet the Soviet Union to discuss these matters, we are, as I have said, only too anxious to confer upon them with the Soviet Union.

'M. Vyshinsky introduced a great many irrelevancies into his statement. I think it was obvious to most of us that he, as a very experienced campaigner, was seeking to fish in as much troubled water as he could find. I am not going to follow him up all those by-paths. I shall confine myself to restating our general position, as follows.

'M. Vyshinsky will not shake our determination to be able to defend ourselves, to place at the disposal of the North Atlantic Treaty Organization the resources necessary to serve as a deterrent to any would-be aggressor. We are not going to be manoeuvred out of that position.

'We do not covet anyone's territory. We plan no aggressive or preventive war. We are prepared to negotiate on the topics which are now causing tension in the world.

'That is a statement of our general position, in answer to the allegations which M. Vyshinsky made about us this morning.'

Replies to Specific Soviet Points

Turning to the specific points in the debate, Mr. Selwyn Lloyd said that he would like to reply to three points which M. Vyshinsky had made 'in what I should describe as his very much more attractive statement of 6th November'. The first two replies were questions of fact and the third of logic.

M Vyshinsky had complained that the resolution of 11th January 1952, setting up the Disarmament Commission, contained no recognition of the Soviet Union's suggestion that the prohibition of atomic weapons and the establishment of effective control should take place simultaneously. 'I should simply like to point out that this so-called concession by M. Vyshinsky was not made until he spoke with reference to his revised proposals on 12th January 1952—in fact, the day after the resolution had, by an overwhelming majority, been adopted. He put this new suggestion before the Assembly as "a tremendous step forward", . . . and many of us regretted that, if it was indeed a step forward, he had not taken the step until after the debate on the question had been concluded, particularly since that debate had gone on for many weeks. We did not, however, reject that new Soviet Union suggestion, or the other new suggestion about inspection on a continuing basis. We referred them for study to the Disarmament Commission, which we had just established. We wished to give those suggestions the fullest and fairest consideration.

'Our attempts in the Disarmament Commission to discover the meaning of the Soviet suggestions did not have very encouraging results. I would remind the Committee that M. Malik, the Soviet Union representative on the Disarmament Commission, said on the subject, in answer to the United Kingdom representative, during the sixth meeting of Committee I of the Disarmament Commission: ". . . there is no point in embarking upon a detailed discussion of the system of control we shall set up to ensure compliance with the decision to prohibit atomic weapons by a system of continuing inspection".

'I think it would have been of very great value if M. Malik had embarked upon a detailed discussion of that system. I think that was exactly why the Disarmament Commission was established, and I think such a discussion by M. Malik would have to a far greater extent carried forward an understanding of the Soviet proposals. The representatives of the United Kingdom, France, the United States and Canada all tried, at one time or another, to elicit from M. Malik what those two Soviet concessions—simultaneity, and inspection on a continuing basis—really meant. I do not think those representatives received an answer, and I do not think we have ever received an answer.

[Over]

'I do not think that I understand what this simultaneous theory is exactly. I gather that M. Vyshinsky wishes us to declare two things simultaneously: one, the prohibition of atomic weapons and, two, the establishment of a system of control. How do you declare the establishment of a system of control? You have all the complexities of establishing a control organ, of deciding its terms of reference, of recruiting its staff, and of establishing its offices and its communications and its various other organs. How do you produce all that just by a declaration? It seems to me to be quite impracticable to declare the establishment of a control organization.'

'That is the simultaneous conception. Almost in the same breath M. Vyshinsky says that the declaration of the prohibition should come first, as a declaration with moral force, and that is to be followed by the establishment of a control organ. This is a point that was emphasized by the representatives of Canada and France, and really, by these two different conceptions, it appears to me that M. Vyshinsky has mastered the problem of how to make a thing both simultaneous and non-simultaneous simultaneously. To those of us who have some experience of his skill in dialectics I do not think that that is really very surprising.'

'I should like to say just one word about the moral force of this prohibition. What would be the value of a moral prohibition? I do not think that it is any use concealing the facts. The facts are these. Our fear is that we and our friends would abide by the prohibition, and that the Soviet Union would not. That is the simple truth of the matter, and I do not think that we are dissuaded from that view by any regard that the Soviet Union has had for international morality since 1945.'

'M. Vyshinsky said that anyone who did not honour the obligation would be shamed before history. I am not certain that the possibility of the aggressor being shamed before history is a terribly powerful consolation to the person who fears aggression. It may very well be that a conqueror would be shamed before history. That is not much consolation to the conquered.'

'M. Vyshinsky said that it would be the height of political cynicism to disregard a resolution of the Assembly. Really, for M. Vyshinsky, the representative of a country which made a pact with Hitler in August 1939, to lecture us on political cynicism is going pretty far. I do not say this in anger at all. I say it simply so that we may face the fact that in our view there would not be any confidence. I go so far, M. Vyshinsky, as to say that there would not be confidence on either side that the other side would keep, and in fact honour, such a prohibition. As I have indicated, I say this not in anger at all but in sorrow—not to secure a point, but merely to state what is one of the facts of the situation. It is not enough for us to try to build up a workable system of disarmament depending just on declarations. The essence of the problem is getting down to the practical details of establishing an organ of international control.'

Secondly, M. Vyshinsky had denied that the West had ever accepted the need for specific prohibition of atomic weapons. 'I think that it is clear enough . . . that the United Nations majority plan for the control of atomic energy carries with it the willingness to abolish atomic weapons. After all, what else was the plan for?'. The resolution itself stated that the proposals by the Disarmament Commission to be embodied in the draft treaty or treaties should, among other things, ensure the prohibition of atomic weapons. 'Does M. Vyshinsky think that this means that we do not want to bring about a prohibition?'

Mr. Selwyn Lloyd recalled that in the Political Committee in November 1951, M. Vyshinsky had posed a certain number of questions. 'The first question he asked was whether we agreed that the General Assembly should declare itself in favour of the unconditional prohibition of atomic weapons and the establishment of strict international control over compliance with such prohibition. I replied, speaking for the three Governments which then sponsored the disarmament resolution, that the adoption of the tripartite draft resolution by the General Assembly would clearly be a declaration in favour of the unconditional prohibition of atomic weapons, enforced by strict international control. I added that unless it was based on a system of international control any such declaration would be no more than a paper promise, and the tripartite draft resolution made that clear. It was a very specific assurance, and it is not the only one. It is an assurance which my delegation and, I think, the delegations of the United States and France, have made again and again, both before and since. M. Vyshinsky gave us an assurance on 6th November of this year that if a declaration were adopted by this Assembly prohibiting the use of atomic weapons his country would not use a fraction of a rouble towards the production of such weapons. But he apparently does not accept the assurances contained in the tripartite resolution, and if he does not accept those assurances how can he expect us to accept his assurances?'

His third point on M. Vyshinsky's two speeches, Mr. Selwyn Lloyd went on, was more a point of logic. 'If I understood him correctly, M. Vyshinsky seemed to argue on 6th November that it was no use talking about control until a prohibition had been declared which the control organ could enforce. That seems to me to be really a confusion of thought. Of course, it is impossible to apply a law which has not been passed. That goes without saying. But no more does one, in a well-organized State, pass a law which one knows one will have no means of enforcing. May I again remind the Committee of what I said on this topic on 15th January 1952? I did not say then that agreement should be reached and the control system established, and that then there should be no ban. What I said was that the fundamental position of the United Kingdom was that an agreement on all types of armaments and armed forces should be concluded, and an effective control system established, before any particular weapon could be banned.'

ADOPTION OF THE RESOLUTION

After long discussion on the amendments to the draft resolution, a final version was adopted on 18th November.

In this the General Assembly reaffirmed the 'responsibility of the United Nations for considering the problem of disarmament and need for providing for:

- (a) the regulation, limitation and balanced reduction of all armed forces and armaments;
- (b) the elimination and prohibition of atomic, hydrogen and other types of weapons of mass destruction;
- (c) the effective international control of atomic energy to ensure the prohibition of atomic weapons and the use of atomic energy for peaceful purposes only;

the whole programme to be carried out under effective international control and in such a way that no State would have cause to fear that its security was endangered.'

The Assembly expressed:

- (a) belief that the continued development of weapons of mass destruction had given additional urgency to efforts to bring about effectively controlled disarmament throughout the world, 'as the existence of civilization itself may be at stake';
- (b) conviction that progress in the 'settlement of existing international disputes and the resulting re-establishment of confidence are vital to the attainment of peace and disarmament, and that efforts to reach agreement on a comprehensive and co-ordinated disarmament programme with adequate safeguards should be made concurrently with progress in the settlement of international disputes', and that 'progress in either field would contribute to progress in the other';
- (c) realization that 'competition in the development of armaments and armed forces beyond what is necessary for the individual or collective security of member States, in accordance with the Charter of the United Nations, is not only economically unsound but is in itself a grave danger to peace'; and
- (d) consciousness 'of the continuing desire of all nations, by lightening the burden of armaments, to release more of the world's human and economic resources for peace'.

The Assembly then:

- (a) endorsed the Commission's hope that recent international events would 'create a more propitious atmosphere for reconsideration of the disarmament question';
- (b) recognized the general wish and affirmed its earnest desire 'to reach agreement as early as possible on a comprehensive and co-ordinated plan under international control, for the regulation, limitation and reduction of all armed forces and armaments, for the elimination and prohibition of atomic, hydrogen, bacterial, chemical and all such other weapons of war and mass destruction, and for the attainment of these ends through effective measures';
- (c) recognized that, 'whatever the weapons used, aggression is contrary to the conscience and honour of the peoples and incompatible with membership in the United Nations, and is the gravest of all crimes against peace and security throughout the world';
- (d) requested the Commission to continue its efforts to reach agreement, taking into consideration proposals made at the eighth session of the General Assembly, and to report again to the General Assembly and to the Security Council not later than 1st September 1954;
- (e) called on 'all member States, and particularly the major Powers, to intensify their efforts to assist the Disarmament Commission in its tasks and to submit to the Commission any proposals which they have to make'; and
- (f) suggested that the Disarmament Commission 'study the desirability of establishing a sub-committee consisting of representatives of the Powers principally involved, which should seek in private an acceptable solution and report to the Disarmament Commission as soon as possible,' and 'arrange for the sub-committee, when established, to hold its private meetings as appropriate in the different countries most concerned with the problem'.

Austrian Peace Settlement

Western Notes Urge Resumption of Negotiations

Following the Soviet Note of 3rd November [see 12.11.53 1a(85)], which ignored the invitation of the three Western Powers to a meeting at Lugano to discuss the German and Austrian peace settlements [see 29.10.53 1a(78)], the Governments of the United Kingdom, France and the United States sent identical Notes to the Soviet Government on 25th November, again proposing a resumption of discussions on the Austrian peace settlement. Formally stating once more that the short draft treaty was withdrawn, the Notes declared the readiness of the three Western Governments to study—either at a conference of Foreign Ministers or through resumption of meetings of the Austrian State Treaty deputies or through diplomatic channels—any Soviet proposal which would promote a settlement and did not raise extraneous issues.

TEXT OF THE UNITED KINGDOM NOTE

The text of the UK Note is as follows:

'In their Note of 3rd November the Soviet Government ignored Her Majesty's Government's invitation to discuss the Austrian State Treaty at a meeting of the four Foreign Ministers at Lugano. They said that they awaited a reply to their Note of 28th August on this subject, and confined themselves to recalling the suggestion contained in their earlier Notes for pursuing this question through diplomatic channels, without however putting forward by this means any proposal on the Austrian problem.

'Ten years after the Moscow Declaration the Austrian people have still not obtained their complete political and economic independence. Wishing to fulfil the promise made in that declaration and to comply with the United Nations resolution of 20th December 1952, Her Majesty's Government have not relaxed their efforts for the conclusion of a treaty. During the present year they have three times proposed that the treaty be discussed by the Deputies, and since 28th August they have twice suggested that this question be taken up at the proposed conference at Lugano.

'It is all the more surprising that the Soviet Government have not been willing to resume discussions on Austria in that the three Western Governments, in order to meet Soviet wishes, had in their Notes of 17th August withdrawn the short draft treaty, the sole object of which was to achieve the earliest possible restoration of Austrian freedom and independence. In order to remove any possible misunderstanding, Her Majesty's Government wish once more formally to state this draft is withdrawn.

Her Majesty's Government believe that nothing stands in the way of the resumption of discussions on the Austrian State Treaty except the attitude of the Soviet Government. Her Majesty's Government are prepared to study any Soviet proposal which would promote an Austrian settlement and which does not raise extraneous issues. If the Soviet Government do not feel able to participate in the very near future in a conference of the Foreign Ministers, Her Majesty's Government hope that they will see no objection to the resumption of the work of the Deputies at a date which the Soviet Government find convenient. If, however, the Soviet Government would prefer to make proposals

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through diplomatic channels and, in particular, would give an indication of the basis on which they would be prepared to conclude the treaty, Her Majesty's Government would give any such proposal prompt and careful consideration.'

The long history of previous efforts by the Western Powers to secure the conclusion of an Austrian peace settlement is covered in R.2493 of 7.11.52 (I.1i) THE AUSTRIAN TREATY NEGOTIATIONS and the following articles in INTERNATIONAL SURVEY: 15.1.53 2a(13), 12.2.53 2a(48), 30.4.53 2a(103), 28.5.53 2a(126), 25.6.53 2a(146), 23.7.53 2a(159), 6.8.53 2a(167), 20.8.53 2a(187), 3.9.53 2a(195).

German Inter-Zonal Passes Abolished

Decision of Western Powers

With the agreement of the Federal German Government, the Western High Commissioners in Germany informed M. Semionov, the Soviet High Commissioner, on 13th November that from 15th November the West German inter-zonal frontier would be opened to all East zone residents and that neither inter-zonal passes nor residence permits would any longer be required. An original Allied proposal that there should be a joint waiver had been rejected by M. Semionov on the ground that the matter was one to be settled between the German Federal Government and the East German authorities, and later the responsibility for issuing inter-zonal passes was handed over to the East German authorities.

After first publishing a protest at the action of the Allied High Commissioners, the East German authorities on 21st November announced that they also would waive the inter-zonal pass requirement. At the same time, however, they stated that visitors to the Soviet zone must continue to obtain residence permits from the local East German authorities before crossing the border, and that East Germans visiting the Federal Republic must surrender their identity cards to the East German police in exchange for a temporary certificate before they leave the Soviet zone. The Federal Government, on the other hand, now no longer require residence permits.

European Organization for Nuclear Research

The text of the convention to establish a European Organization for Nuclear Research, together with an explanatory memorandum, was contained in a White Paper¹ laid before the UK Parliament in November 1953. The convention and financial protocol have still to be ratified by the UK Government. The explanatory memorandum accompanying the convention, which amplifies and modifies information previously available on the subject [see 9.7.53 2a(148-9)], is reproduced in part below.

Origin of the Organization

The convention to establish a European Organization for Nuclear Research, signed at Paris on 1st July 1953, results from some three years

¹Cmd. 9007 *Convention for the Establishment of a European Organization for Nuclear Research (including Financial Protocol)*.

of preparatory work which began with a resolution passed at the fifth General Conference of UNESCO in June 1950. The United Kingdom took a close interest in the proposal and co-operated informally with the work of the interim Council of Representatives of European States, which was set up in February 1952. The UK Government agreed to join the permanent organization if the terms of the convention were satisfactory.

Objectives

The broad aims of the organization are to plan and organize cooperation in fundamental nuclear research and, more particularly, to establish for this purpose an international laboratory, equipped with the very expensive apparatus essential for such research. As Article II of the convention makes abundantly clear, the organization and its laboratory will have no concern with applied research on atomic energy, or with work for military objectives. All the results of research will be published or otherwise made available.

The convention sets out in detail the purposes of the organization and its basic programme; it specifies the major apparatus¹ to be installed in the laboratory to be built near Geneva, and the laboratory's general research programme. The activities are to be directed to fundamental research in that part of the field of nuclear physics relating to very high-energy particles, including cosmic ray research. The cost will be shared by the participating States which, on the completion of the laboratory, will thus have access to comprehensive research facilities which might not otherwise be available to them.

The construction and complete equipping of the laboratory with its complicated apparatus is expected to take seven years. The smaller of the two accelerators (the synchro-cyclotron) should, however, be ready in four years' time; the organization will also continue to support work in theoretical physics, which the interim council started in Copenhagen, and will encourage collaboration in the use of high-energy accelerators possessed by member States.

The United Kingdom, to advance its own research, needs very powerful apparatus of the type which is to be installed in the laboratory. Its membership of the organization will enable United Kingdom workers to co-operate with leading European physicists in co-ordinated fundamental research projects.

Membership

Membership will initially comprise the twelve States associated with the interim planning council, provided they sign or accede to the convention. These States are Belgium, Denmark, France, the German Federal

¹The major apparatus, referred to in paragraph 3 of Article II, are two accelerators, the proton synchrotron and the synchro-cyclotron. The fast particles produced by high-energy accelerators are necessary aids in gaining a better understanding of atomic nuclei. They are used to bombard nuclei, and the subsequent behaviour of the projectiles and the struck nuclei, and of new particles resulting from the collision, is studied with the help of elaborate detecting devices.

The synchro-cyclotron will accelerate protons (nuclei of the simplest element, hydrogen) by a total of 600 million volts. Fairly well-established techniques may be used in its design and construction, and it will provide up-to-date facilities with the least possible delay.

The proton synchrotron will accelerate a smaller number of protons to an energy perhaps fifty times as great, but it presents many more problems and its construction will be slower and more costly. It is expected to make available in the laboratory new particles, which so far have only been observed as rare events in studies of cosmic rays.

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Republic, Greece, Italy, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom, and Yugoslavia. By the middle of October ten States (all the above except Denmark and Norway) had signed the convention.

Other States may become members by a unanimous decision of the Council.

Administration and Finance

The control of the organization is in the hands of a Council on which all members are represented. Its functions are set out in Paragraph 2 of Article V of the convention¹.

Each member State has one vote, and decisions are by a majority which varies according to the subject.

The staff of the organization will be international and, in the discharge of their duties, their responsibilities will be to the organization and not to their own Governments.

The convention, and the financial protocol which regulates the financial administration, require ratification. To ensure that the organization will have adequate resources to commence work and to place contracts for the laboratory and its apparatus, the convention comes into force only when it has been signed and ratified by seven States (including Switzerland, where the seat of the organization is to be established), the total of whose contributions reaches a specified percentage. It is hoped that the qualifying number of States will have ratified in time to enable operations to begin early in 1954.

The total cost of the laboratory is estimated at approximately 120 million Swiss francs (£10 million) spread over the first seven years, after which operating costs of the organization are estimated at approximately 8.6 million Swiss francs (£720,000) per annum. Accurate estimates are difficult to make when covering so long a period ahead, and the provision of complicated research apparatus; but the foregoing estimates are the best that can yet be made.

United Kingdom Financial Responsibility

The annual contributions of members are assessed on data related to their national incomes. So long as the cost is shared among the twelve States referred to above, the United Kingdom contribution will, subject to certain provisions, be just under 24 per cent, equivalent to an estimated average of some £345,000 per annum during the seven-year construction period. Thereafter, the United Kingdom annual contribution is estimated at some £175,000. The French Government has agreed to contribute a like percentage, and other members will contribute varying smaller percentages.

The cost of the United Kingdom contributions will be borne on the vote of the Department of Scientific and Industrial Research.

The financial liability of members is limited to the basic programme of equipment and research, and no member is committed to contributing to any supplementary programme without his specific agreement.

¹The main functions of the Council are, subject to the provisions of the convention, to determine the organization's policy in scientific, technical and administrative matters and to approve detailed schemes of research and decide on any supplementary programmes of activities of the organization, besides supervision of expenditure and staff and publication of an annual report.

Control of Foot-and-Mouth Disease

Draft Constitution of European Commission

A White Paper¹, laid before the UK Parliament in November 1953, gives the text of the draft constitution of the European Commission for the Control of Foot-and-Mouth Disease, agreed upon in July 1953 [see 6.8.53 2a(180)] but which has yet to be finally approved by the seventh conference of the UN Food and Agriculture Organization (FAO). This conference started at Rome on 23rd November 1953, and Governments had been asked to empower their delegates to it to deposit formal instruments of adherence to the constitution, which is summarized below.

Object. The object of the Commission would be to promote national and international action with respect to control measures against foot-and-mouth disease in Europe.

Main Functions. The main functions of the Commission would be to arrange for the provision of technical information on outbreaks of, and special research work in connection with, the disease; to stimulate and plan joint action wherever required to overcome difficulties; to arrange suitable facilities for the typing of virus; to maintain a register of stocks of virus and vaccines; and to assist in controlling outbreaks in emergency situations.

Membership. Membership would consist of such European member nations of FAO and/or of the International Office of Epizootics (IOE)² as accept the constitution, and any other European nations which have applied for membership and have been accepted.

Headquarters. The headquarters would be at those of FAO in Rome.

Organization. Each member would be represented at the sessions of the Commission by one delegate, and would have one vote. A chairman and two vice-chairmen would be elected from among the delegates at the beginning of each regular session, which would be convened by the Director-General of FAO, in consultation with the chairman, at least once a year. Non-members might be represented by observers. An Executive Committee would be established, composed of the chairman and vice-chairmen of the Commission and three delegates of members, elected at the beginning of each regular session. It would meet at least once between any two successive regular sessions of the Commission. Its functions would be to make proposals on policy matters and activities, to implement policies and programmes, and to submit budgets, accounts or reports of the Commission. Other committees might be convened by the Director-General of FAO in consultation with the chairman.

Finance. Each member would contribute annually in accordance with the scale adopted by a two-thirds majority of members. For the first five years after the constitution had come into force, these contributions would be in accordance with a scale based on numbers of cattle and FAO contributions. France and the United Kingdom would make the greatest contributions (\$7,000), and Iceland and Luxembourg the least (\$250).

¹Cmd. 9003 *Draft Constitution of the European Commission for the Control of Foot-and-Mouth Disease.*

²Established in 1924 by international agreement, with headquarters in Paris, to promote research on contagious diseases of livestock.

Entry into Force. The constitution would enter into force on receipt by the Director-General of FAO of notification of acceptance from six member nations of FAO or of IOE.

UK Military Base in Belgium

Treaty Agreement Ratified

On 22nd October 1953 the Governments of Belgium and the United Kingdom exchanged instruments of ratification of the general agreement¹ between the two Governments concerning the establishment of a British military base in Belgium, which was signed at Brussels on 12th November 1952 [see 31.12.52 1f(115)]. By an exchange of notes² on the same day, the treaty of 11th March 1946, regarding privileges and facilities for British forces in Belgium in connection with the occupation of Germany and Austria, was abrogated.

The agreement, in its preamble, specifies three considerations leading to its conclusion: (1) the provision in the North Atlantic Treaty for the co-operation of the contracting parties in developing their individual and collective capacity to resist armed attack; (2) the obligations of the United Kingdom Government resulting from the presence of their forces on the Continent of Europe; (3) the geographical situation of Belgium on the lines of communication of the United Kingdom forces.

The agreement provides that the Belgian Government shall permit United Kingdom forces to pass in transit through, and to be stationed in, Belgium 'whenever this appears to the two Governments to be necessary in order to ensure supplies to United Kingdom forces stationed on the continent of Europe or in order to comply with any recommendation of the North Atlantic Council or of its competent organs'. The Belgian Government undertakes to place at the disposal of the United Kingdom forces 'a military base in the vicinity of Antwerp'. The United Kingdom undertakes to permit, if the Belgian Government should so request, the establishment of a Belgian military base in the United Kingdom on similar conditions. The agreement remains in force for the duration of the North Atlantic Treaty unless otherwise agreed.

Development of the Base

The base is situated near Antwerp in the Campine area, which was chosen because of its excellent communications with northern Germany and because it would interfere as little as possible with Belgian industry and agriculture. Work was begun in August 1951 and is now practically completed. Construction has involved the building of roads, railway lines, depots, store sheds, offices, camps and barracks and the laying of pipelines. Although planned and produced within the NATO framework, it is not a part of NATO infrastructure, and the cost of its construction is borne by the British and Belgian Governments. About 20 per cent of the cost of building, and all the cost of expropriating the land required, is being paid by the Belgian Government. The capital cost to the United Kingdom is estimated at about £6 million, and the United Kingdom will bear the maintenance and working costs. When the base is no longer

¹Issued as a White Paper, Cmd. 9000.

²Issued as a White Paper, Cmd. 9001.

required by the United Kingdom all the buildings and installations will become Belgian Government property. Nearly 2,500 Belgian civilians have been employed in work on the base and, on completion, a permanent staff of over 4,000 will be employed. It is at present occupied by about 1,500 troops. The base is also to be used to a limited extent by Canadian forces.

UK National Service

Contribution to NATO Strategy

On 17th November, a motion was carried in the UK House of Commons providing for an order to be made extending to 1959 the National Service Act of 1948, which established a two-year period of National Service. Sir Walter Monckton, Minister of Labour and National Service, introducing the motion, said that conditions in the world today still obliged the United Kingdom to keep many troops overseas, and, in addition, there was 'an over-all unsatisfied requirement' for a strategic reserve in the United Kingdom.

The importance of reserves in the NATO strategy was emphasized by General Gruenthal in an address to the Atlantic Community Study Conference at Copenhagen on 30th August [see *Appendix I to International Survey No. 139*, 29.10.53]. The 'basic defence philosophy' of NATO, he said, involved the use of the minimum of active forces and the placing of maximum dependence upon reserves.

Defence Co-operation in SE Europe

Communiqué Issued after Military Talks

A communiqué was issued in Belgrade, on 20th November, at the conclusion of talks on military co-operation held between members of the General Staffs of Greece, Turkey and Yugoslavia. The talks, which began on 10th November, were the third of a series begun after the signature of a treaty of friendship and co-operation between the three countries on 28th February [see 12.3.53 2a (57)]. It had been announced after a meeting of the Foreign Ministers of the three Powers in Athens in July [see 23.7.53 2a(165)], that it would be the duty of the General Staffs to study the advancement of tripartite military co-operation, and the communiqué stated that agreement had been reached on problems of mutual defensive collaboration in the event of aggression against one of the three countries.

'The talks were conducted in a spirit of friendship and full understanding' the communiqué stated, 'and the three delegates agreed on all matters concerning the mutual defence of the three friendly countries in case of aggression. These talks, and the results achieved, will signify a new contribution towards the strengthening of peace in this part of the world.'

The Prime Minister of Greece, Field-Marshal Papagos, said in the course of a speech in the Greek Parliament on 27th November that during the talks a military plan for the common defence of the Balkans had been prepared. Details of this plan were to be discussed at forthcoming military conferences in Ankara and in Athens.

Greek Reply to Soviet Protest on US-Greek Agreement

On 12th November, the Greek Ministry of Foreign Affairs released a summary of the Greek Note replying to the Soviet Note of 26th October, in which the Soviet Government had protested against the signature of a US-Greek agreement on the use of bases in Greece [see 29.10.53 2a(231)].

The Greek Government described the Soviet objections as being completely unfounded for the following reasons: firstly, that the agreement did not alter the balance of power in the Balkan peninsula since it was simply an implementation of the North Atlantic Treaty, which was a purely defensive instrument for safeguarding the security of its member States, based on United Nations principles of collective security; secondly, that Greece's experience during the first years after the war, when she was exposed to grave dangers, and the fact that the military clauses of the Peace Treaties were being flagrantly violated by some former enemy States, compelled Greece to continue her vigilance and did not allow any relaxation of her defensive efforts; and thirdly, that Greece's sole concern was to recover from the effects of the last war, which for her did not end until 1949. Greece would remain faithful to the ideals of peace and international co-operation, and would spare no effort towards achieving these aims.

CORRECTION

In the item *NATO Commands Held By British Officers in International Survey* of 6.8.53, 2a(172), line 6, for 'Lieutenant-Commander' please read 'Lieutenant-General'.

UK Aid to Jordan 1954-55

The United Kingdom Government has undertaken, subject to the approval of Parliament, to make available to the Government of Jordan financial assistance amounting to £2,350,000, in the financial year beginning 1st April 1954. This was announced in the House of Commons on 16th November (*Hansard* 16.11.53 Col. 177), by Mr. Nutting, Under-Secretary of State for Foreign Affairs, in reply to a question regarding the financial discussions in London with a delegation from the Jordan Government, which ended on that day. Mr. Nutting said:

'During the recent talks, the two delegations examined the detailed five-year plan of economic development in Jordan, which the Jordan Government had prepared as agreed at the negotiations between the two Governments last February [see 12.3.53 2b(21)]. In the light of this examination and of further studies of Jordan's economic problems, Her Majesty's Government have re-affirmed their intention of co-operating to the fullest extent practicable with our friend and ally, Jordan, in her efforts to achieve an improvement in her economy, and so to contribute to the mutual benefit of both countries.'

'To this end Her Majesty's Government have offered, subject to the approval of Parliament, to provide Jordan in 1954/55 with funds totalling £2,350,000. Of this sum, up to £750,000 is to be a grant devoted, as in the current year, towards meeting the expected deficit in Jordan's budget for next year. The actual amount to be provided will depend on a more precise assessment of need, which will only be possible when firm budgetary figures are available. The remaining £1,600,000 is to be an interest-free loan which, it has been agreed, will be expended in 1954/55 on certain specified projects under the five-year plan. Her Majesty's Government have not excluded the possibility of seeking Parliamentary sanction to make some additional financial provision in 1954/55 for other projects within the plan, when further information about them has been supplied by the Jordan Government.'

'The opportunity was also taken of discussing Jordan's 1954 balance of payments as a member of the sterling area. Arrangements were decided upon for supplying Jordan's requirements of dollars from the resources of the sterling area during the year.'

Palestine and the United Nations

Israeli Action at Qibya Censured

The UN Security Council on 24th November adopted, by 9 affirmative votes with 2 abstentions (Lebanon and USSR), a resolution, sponsored by France, the United Kingdom and the United States, which expressed 'the strongest censure' of the Israeli action at Qibya and called for continued observance of the provisions of the Armistice Agreements together with an investigation of measures for strengthening the machinery of supervision.

DISCUSSIONS IN THE SECURITY COUNCIL

On 27th October the Security Council resumed consideration of the item relating to recent incidents on the Israel-Jordan frontier (and, in

[Over]

particular, the attack on Qibya of 14th–15th October), which had been placed on the Council's agenda on 20th October [see 29.10.53 2b(69)]. The representatives of Israel and Jordan attended the meeting of the Council but did not participate in the voting.

General Bennike's Report

The Chief of Staff of the Truce Observation Organization (TSO) [see 29.10.53 2b(70)], Lieutenant-General Bennike, read to the Council his report, in which he surveyed the situation on all the borders between Israel and the neighbouring Arab States and, in particular, the recent incidents along the Israel-Jordan border. Referring to the attack on the Jordan village of Qibya, General Bennike listed evidence showing that the attack had been carried out by organized Israel armed forces [see 29.10.53 2b(69)]. In his considered opinion, the present situation was 'due to a large extent to the problem of infiltration' which local commanders' agreements were the most effective means of diminishing. At two subsequent meetings, General Bennike answered questions on his statement put by various members of the Council.

Israel and Jordan Statements

During the course of the ensuing discussions in the Security Council statements were made by both Israel and Jordan representatives, on 12th and 16th November respectively. The Israel representative, Mr. Eban, expressed his Government's 'profound and unreserved regrets' for the Qibya incident and that the circumstances of the incident were precisely those outlined in the statement of the Israel Prime Minister, Mr. Ben Gurion, on 19th October, when he had stated that it was a fantastic allegation to assert that 600 men of the Israel Defence Forces had taken part in the Qibya action. An investigation had shown that no single army unit had been absent from its base on the night in question. Mr. Ben Gurion had also said that the attack had been made by some of the border settlements which had been armed and trained by the Israel Government in response to their requests for protection. Mr. Eban described the attack as a most unfortunate explosion of pent-up feelings and a tragic breakdown of restraint after the provocation of brutal attacks, such as the murder of a mother and her children in their sleep. Mr. Eban included, in his speech, a proposal from his Government that immediate discussions on the border tension should be held at the UN headquarters between military and political representatives of both parties. The same proposal was made in Notes presented by the Government of Israel to the French, UK and US Governments.

This proposal was subsequently rejected by the Jordan representative, Dr. Yussuf Haikal, on the grounds that he was there only to express the views of his Government on the events at Qibya, and that the proper place for such discussions was Jerusalem.

Sir Gladwyn Jebb's Statements

The UK representative, Sir Gladwyn Jebb, made two statements to the Security Council.

Speaking on 9th November Sir Gladwyn said an important question was whether the Council shared the opinion of the Mixed Armistice Commission in relation to the Qibya incident and in particular did it share the opinion of General Bennike that the raid was the work of Israel military forces? The evidence produced, he said, showed that a disciplined, organized, well-armed Israeli military force was responsible and Mr. Ben Gurion's statement of 19th October did not preclude such a conclusion.

In the view of the UK Government it was very difficult for the Government of Israel to escape responsibility for the attack. The UK Government had already stated that there was no possible justification for such an action; the further information which had come to hand could only confirm them in condemning the action, and their feelings would not be very different if the attack had been conducted by militia. The whole situation had been made worse by the apparent unwillingness of the Israel Government to punish those responsible and hence, by implication, their willingness to condone it. It was, Sir Gladwyn stated, human to err. No nation was perfect. 'But if the small liberal democracy which we believe the sons of Israel are seeking to establish in Palestine is to preserve the sympathy of its friends throughout the world, then we suggest that it would certainly be well advised not to try to show, as some of the Israeli Press have sought to do, that the destruction of a village in Jordan territory and the slaughter of its inhabitants, most of whom were undoubtedly quite innocent, was thoroughly justified and indeed the logical and final result of some chain of incidents. We can indeed regard this raid in its context and against the whole unhappy background of the relations of Israel with her neighbours. We can and we should do our utmost to rectify a situation fraught with dangerous possibilities. . . But that does not mean that we should seek to find any excuse for the raid on Qibya itself.'

On 20th November, Sir Gladwyn Jebb supported the terms of the draft resolution sponsored by the French, UK and US Governments. The very strong condemnation of the Qibya action was necessary both because of the reprehensiveness of the action itself and because such actions must, if repeated, inevitably create new obstacles to the return of peace in the Middle East. It was also necessary to call on the two parties to intensify measures to stop infiltration and desirable that UN machinery in the area should be reinforced. The UK representative also pressed for an immediate vote upon the draft resolution, which in the event was adopted on 24th November.

Israel Invokes Armistice Revision Clause

On 23rd November, Mr. Eban called on the UN Secretary-General to apply the provisions of paragraph 3 of Article XII of the Israel-Jordan Armistice Agreement. This paragraph provides that, in the absence of mutual agreement between the signatories on revision, either of the parties may call upon the UN Secretary-General 'to convoke a conference of representatives of the two parties for the purpose of reviewing, revising or suspending any of the provisions of the Agreement other than Articles I and III. Participation in such conference shall be obligatory upon the parties'. Articles I and III declare the armistice and forbid a resort to arms.

SUMMARY OF THE RESOLUTION

In its resolution the Security Council:

After recalling its previous resolutions on the Palestine question [see 16.7.48 2(a) p.19 and 9.9.49 2(b) p.30], particularly those concerning methods for maintaining the armistice and resolving disputes through the Mixed Armistice Commissions [see 29.10.53 2b(70)], and noting both the recent reports made to it by General Bennike and the statements to the Council of the representatives of Jordan and Israel,

- (1) found that 'the retaliatory action at Qibya taken by armed forces of Israel on 14-15 October 1953' and all such actions

constituted a violation of the cease-fire provisions of the Security Council resolution of 15th July 1948 and were inconsistent with the parties' obligations under the General Armistice Agreement and the Charter, and expressed 'the strongest censure of that action which can only prejudice the chances of that peaceful settlement which both parties in accordance with the Charter are bound to seek, and calls upon Israel to take effective measures to prevent all such actions in the future';

- (2) noted that unauthorized crossings of the armistice lines often resulted in acts of violence, called on Jordan to strengthen its existing measures to stop such crossing and reminded both the Israeli and Jordanian Governments of their obligations to prevent all such acts of violence;
- (3) emphasized the obligations of both Governments concerned to co-operate fully with the Chief of Staff of the Truce Supervision Organization (TSO), and requested the UN Secretary-General and the Chief of Staff to consider the best way of strengthening the TSO;
- (4) requested the Chief of Staff of the TSO to report to the Council within three months, together with his recommendations 'on compliance with and enforcement of the General Armistice Agreements with particular reference to the provisions of this resolution and taking into account any agreement reached in pursuance of the request of the Government of Israel for the convocation of a conference under Article XII of the General Armistice Agreement between Israel and Jordan'.

The Sudan Elections

Electoral Commission Rejects Egyptian Allegations

The Sudan Electoral Commission on 18th and 22nd November rejected Egyptian allegations of improper interference by British officials of the Sudan Administrative Service in the conduct of the elections now being held in the Sudan for the first all-Sudanese Parliament. The Commission is composed of 3 Sudanese, 1 United States, 1 Egyptian and 1 British member, under the chairmanship of Mr. Sukumar Sen (India).

The Egyptian representative on the Governor-General's Commission [see 16.4.53 2b(31)] spoke to a press conference in Cairo on 20th November of 'the staggering volume of indictments of the British Administration in the Sudan', and alleged that the following were examples of this: (1) the pressure put by a District Commissioner upon a chief in Equatoria Province to withdraw his candidature, (2) the conduct of the Governor of Kassala and (3) an incident at Tali in Equatoria Province. The Egyptian Government on 21st November made a formal complaint to the Electoral Commission and requested the suspension of election proceedings in Kassala and Equatoria Provinces, the removal of all British administrative officials (including both Governors) in the two Provinces, and the fixing of a new date for elections there.

Decisions by the Electoral Commission

In respect of the first case cited by the Egyptian Government's representative, the Electoral Commission on 18th November published the following statement:

'The Electoral Commission has now completed its inquiry into the complaint in respect of the case of Chief Daryo of the Eastern District of Equatoria Province. After a careful consideration of the case, the Commission has decided that Chief Daryo withdrew his candidature voluntarily, and that there was no pressure or compulsion upon him to withdraw. The Commission has also decided that while the District Commissioner of the Eastern District of Equatoria acted improperly in being present on the occasion of the withdrawal, and in recommending Daryo to withdraw, he exercised no pressure or compulsion on Daryo which might affect the exercise of his free will. The Commission has brought the full facts of the case to the notice of the Sudan Government, with a recommendation that suitable disciplinary measures may be taken by the latter against the District Commissioner.'

In respect of the Egyptian Government's formal request, the Electoral Commission on 21st November sent the following reply to Major Saleh Salem, Egyptian Minister for Sudan Affairs and National Guidance:

'The Electoral Commission has this morning received Your Excellency's telegram, in which you suggest that grave interference by administrative officials in Kassala and Equatoria Provinces justifies consideration of postponement of elections in those Provinces, removal of British officials therein and fixing another date for polling there. The Commission has investigated a large number of cases of alleged official interference in the electoral campaign, including several in Kassala and Equatoria. The facts disclosed thereby do not warrant the conclusion that there has been "grave" interference, and the Commission therefore feels that a postponement of the election in the two Provinces and the removal of some of the officials would not be justified.'

Anglo-Persian Relations

UK and Persian Statements

Statements on outstanding questions affecting UK-Persian relations were made on 24th and 25th November by the Persian Foreign Minister and the UK Secretary of State for Foreign Affairs respectively.

Persian Statement

Speaking in Tehran on 24th November, Mr. Nazrollah Entezam, Persian Foreign Minister, said, according to Press reports, that he considered a joint communiqué in London and Tehran was called for. The natural development of the situation resulting from the *impasse* created by the Musaddiq Government must be: firstly, UK recognition of the nationalization of Persia's oil industry; secondly, resumption of diplomatic relations between the two States on a basis of cordiality, and then, thirdly, negotiations on the oil question.

Statement by Mr. Eden

Answering a question in the House of Commons on 25th November, Mr. Eden, UK Foreign Secretary, declared that the present Government of the United Kingdom, and their predecessors in office also, were 'prepared to recognize the principle of the nationalization of oil in Persia within the framework of an arrangement which, on the basis of justice and equity, satisfies the interests of the parties concerned'.

Anglo-Egyptian Relations

Canal Zone Incidents

It was stated in London on 24th November, by a spokesman of the Foreign Office, that there had been an increase in the number of incidents in the Suez Canal Zone during the past month. The UK Government was watching the situation closely and the matter had been raised in Cairo with the Egyptian Government.

The number of incidents—which included assaults on UK personnel and attempted robberies of military stores—in the week ending 21st November was 29, as against 15 in the previous week.

Libya

Minister of Defence's Visit to United Kingdom

The Minister of Defence of the Kingdom of Libya, Ali Bey Jerbi, arrived in the United Kingdom on 9th November for a visit lasting ten days. During his visit Ali Bey Jerbi inspected training methods at a number of British Army establishments, including the Royal Military Academy, Sandhurst.

The military agreement attached to the Anglo-Libyan Treaty of Friendship and Alliance, signed in Benghazi on 29th July [see 6.8.53 2b(54)], provided *inter alia* for co-operation between the two Governments in training methods and equipment.

Indo-China

Viet Nam's Struggle Against Communist Imperialism

Statements on Viet Nam's place in the common struggle against Communist imperialism have recently been made by HM Bao Dai, Head of State of Viet Nam, and by Mr. Malcolm MacDonald, UK Commissioner-General in South-East Asia.

Statement by HM Bao Dai

The Head of State of Viet Nam, HM Bao Dai, stated in the course of a special interview in Paris on 15th October with the newspaper *Le Monde*, that the Viet Minh found supporters not because they sought to establish a Chinese or Soviet satellite but because their supporters were lured by Viet Minh promises of the unity and independence of Viet Nam. Every Vietnamese patriot ardently desired this unity and independence. Viet Nam had secured unity in 1949 when France had agreed to the incorporation of the Cochin-China area with Annam and Tongking and had surrendered the concessions at Haiphong, Hanoi and Tourane.

The way towards independence was, he declared, more difficult. But France, in its declaration of 3rd July [see 9.7.53 2c(60)], had accepted the principle of independence.

'And we have more than the promise of independence. We have the instrument with which to bring it about—our national army. The army is still being developed, but it already has 200,000 men under arms who are playing an active part in the internecine war. It still has insufficient officers and NCOs, but this deficiency is rapidly being made good by the young men passing out from our military schools.'

HM Bao Dai then described the creation of the Vietnamese Army, and continued: 'I believe I can claim to have upheld the aspirations of my country. The former somewhat equivocal position no longer obtains. If the war is continued, divorced as it is from the struggle for independence since independence has been acquired, it is continued because certain misguided people wish to bring Viet Nam into the Soviet bloc and under Chinese domination. No true Vietnamese patriot can wish for such an event. I have the utmost confidence in my people's patriotism, and I even have hope for those who war against me. The country's interests cannot be served by external ideologies and foreign propaganda. Civil wars always entail great carnage, but in a national setting they can also always be resolved.'

HM Bao Dai declared that he believed complete Vietnamese independence could be achieved within the French Union, and added: 'If certain purely technical restrictions, necessitated by circumstances of war and common defence, have to be imposed, then these must be specifically stated as being of a provisional nature only, to disappear with the restoration of peace.' He also declared his belief that the full independence of the Associate States (Viet Nam, Cambodia and Laos) would mark 'a step forward in the history of the French Union'. If, as provided for in the French constitution, 'the Union is reconstructed on the basis of voluntary co-operation between free peoples, liberated from colonialism, then the French Union will become a vital and living force, built on solid foundations. Viet Nam wishes to be independent, but not necessarily isolated. She is impregnated with French culture and

has no wish to cut herself off from France, but the basis of friendship between the two countries will be surer if freed from the irritations of an antiquated dependence which now hamper it. France, for her part, should not feel that she is losing by surrendering these now contested prerogatives; on the contrary, in respecting our independence and consenting to our freedom, she will have no regrets, but can only gain from the strengthened bonds between our two countries.'

Mr. MacDonald on the Position in Viet Nam

In the course of a statement in Singapore on 16th November, Mr. MacDonald said that, in most of South-East Asia, the Communist attempts since 1948 to seize power by force had failed, and he cited the cases of Burma, the Philippines, Indonesia and Malaya. Only in the area of Indo-China was the Communist threat to South-East Asia represented by a really formidable army which had not yet lost its hope of a military victory. But Indo-China was strategically the most important country in the whole of South-East Asia. It was the highway into much of the rest of South-East Asia. 'If an aggressive enemy of the freedom of the South-East Asian peoples', he said, 'were ever to conquer Viet Nam in Indo-China, the conquest would not stop there. It would spread into Laos and into Cambodia. It might be able to exert irresistible pressure in Thailand and in Burma. It could perhaps bring its forces to the very borders of Pakistan and India in the West and of Malaya in the South. That is why the existence of an aggressive Communist-led movement in Indo-China is a matter of such vital moment to us.'

Mr. MacDonald said the Communists were much more powerful in the Viet Nam area than elsewhere in South-East Asia. 'The Viet Minh movement is as strong as it is today, first because of the political support which it gets from a good deal of misguided nationalist sentiment in Viet Nam and second because of the ceaseless martial training and the enormous material military supplies which its troops secure from the Chinese Communists just across the border.'

But, Mr. MacDonald continued, 'resourceful and formidable though the Viet Minh armed forces are, they can and will be defeated by the soldiers opposing them.'

Korea and the United Nations

Meetings of Representatives at Panmunjom

No final agreement has yet been reached during the meetings of representatives of the two sides for the purpose of making arrangements for a political conference on Korea.

The secret discussions between staff officers of the two sides [see 12.11.53 2c(104 footnote)] were concluded on 13th November. These discussions resulted in agreement on a form of agenda for the meeting of the representatives, by which the two main questions at issue, the place of the conference and its composition, would be discussed together. A proposal by the United Nations representative, Mr. Dean, that two sub-committees should simultaneously discuss, one the place and composition, the other the time, of a conference, was accepted.

When the sub-committees started work on 17th November, the Communist representatives in the first sub-committee made a number of

proposals, the most important of which were, firstly, that to ensure the smooth progress of the conference five 'neutral' nations—the Soviet Union, India, Indonesia, Pakistan and Burma—should attend, in addition to representatives of the two sides and selected by them. Secondly, the conference should be held at Panmunjom.

The UN representative said that he did not consider Panmunjom nearly as suitable a site as other places proposed [see 15.10.53 2c(98)]. He also stated that the United States were prepared to recommend to other Governments on the United Nations side that the conference itself should consider the question of additional participants after a satisfactory agreement on Korea had been reached and before other questions had been discussed. He added, however, that if, after a reasonable period of discussion on Korea, developments at the conference made it appear desirable to introduce additional participants, the United States would recommend to other Governments concerned that this be done. He said that his proposals struck a fair balance between the usefulness of neutral participation and the clear responsibilities of the belligerent sides. Mr. Dean added that, under the General Assembly resolution of 28th August [see 3.9.53 2c(84)], the Soviet Union could be invited to the conference by the Communist side if they wished, but he could not recognize that the Soviet Union had contributed to peace in Korea.

Subsequent discussions in this sub-committee have been concerned with clarifications of the Communist representatives' proposals, particularly on the functions and status which the proposed 'neutral' participants might have, and whether they should take part in all stages of the conference. On 23rd November Mr. Dean proposed, as additional places where a conference might be held, Stockholm, Rome, Rio de Janeiro, Mexico City, Oslo and Lisbon.

Repatriation of Prisoners of War

Up to and including 16th November, 1,186 North Korean and 1,342 Chinese prisoners of war in the custody of the Neutral Nations Repatriation Commission had received explanations in accordance with the provisions of the Korean Armistice Agreement [see 12.11.53 2c(104)].

Out of the total number of 2,528 men who received explanations, 69 (23 Chinese and 46 North Koreans) have chosen repatriation. A further 118 Chinese and 66 North Korean prisoners have chosen repatriation without going through any explanations. One US and six Korean prisoners of war have been returned by the Communist Commands. There have been no further explanations since 16th November.

US Vice-President in Hong Kong

During his tour of the Far East [see *Commonwealth Survey* 23.10.53 1c(20) and 20.11.53 2a(65)], Mr. Richard Nixon, Vice-President of the United States, paid a three-day visit to Hong Kong. Before leaving, he congratulated the Colony's Government on their handling of administrative problems and on their resourcefulness in providing a livelihood for the great influx of refugees from China. 'I am not insensible', he said, 'to the sacrifices made here in the common struggle against Communist aggression.'

US-Japanese Talks

Development of Japanese Defence Forces

A joint statement was issued in Washington on 30th October at the conclusion of a series of talks between Mr. Walter S. Robertson, US Assistant Secretary of State for Far Eastern Affairs, Mr. Hayato Ikeda, personal representative of the Prime Minister of Japan, and other officials of the two Governments. The talks had begun on 5th October.

The statement said that the talks had covered various interrelated problems of mutual interest, such as Japan's defence development, US assistance to Japan, settlement for US post-war economic aid, and other economic matters. The talks had been exploratory and no agreements had been entered into.

Both parties, the statement continued, had agreed on the necessity of increasing Japan's self-defence forces in order to protect her from possible aggression, and to reduce the United States burden related to the defence of Japan.

It was, however, noted that under present circumstances there were constitutional, economic, budgetary and other limitations, which would not allow the immediate building of Japan's self-defence forces to a point sufficient for Japan's defence. With due regard to these limitations, continued effort on the part of Japan would be made to expedite the development. Subject to necessary US Congressional authorization, the US representatives offered to assist Japan in developing the Japanese forces, by supplying major items of military equipment for the land, sea and air forces which Japan might raise. Questions relating to Japanese defence forces and United States military assistance would be discussed further in Tokyo in the near future by representatives of the two Governments, with a view to reaching a definite understanding.

The two parties agreed that a reduction in Japan's contribution to the support of US forces should be considered from time to time, in the light of the development of Japan's own forces. It was also agreed that the withdrawal of the US forces from Japan would be effected as the Japanese forces developed their capacity for defending their country.

Since 1952 US forces have been stationed in Japan under the provisions of the US-Japanese Security Pact, signed on 8th September 1951 [see 7.9.51 2e p.23].

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The Bermuda Conference

Tripartite Statement Issued

The President of the United States, the Prime Minister of the United Kingdom and the President of the Council of Ministers of the French Republic, accompanied by the Foreign Ministers of the three countries, met at Bermuda from 4th to 7th December 1953. Lord Ismay, Secretary-General of the North Atlantic Treaty Organization, was present as an observer. Accompanying the US President and UK Prime Minister, respectively, were Mr. Lewis L. Strauss, Chairman of the US Atomic Energy Commission, and Lord Cherwell, until recently UK Paymaster-General, and 'specially charged with the supervision of atomic energy research production'.

At the conclusion of the meetings the following statement was issued:

'Our meetings symbolized and confirmed the unity of purpose of our three countries. We found ourselves in accord on our analysis of the problems confronting us and have agreed on various measures essential for their solution. Confident that our united strength is the best guarantee of peace and security, we are resolved to maintain our joint efforts to perfect it. If the danger of aggression now appears less imminent, we attribute this to the mounting strength of the free world and the firmness of its policies. We shall remain resolute in maintaining our solidarity and vigilant against efforts to divide us. With their material and moral resources, we are confident that the free peoples can provide both for their security and for their well-being. We dedicate ourselves to work together towards these ends.'

Support for NATO and EDC

'The North Atlantic Treaty is, and will remain, the foundation of our common policy. We discussed means of developing the defensive capacity of our alliance. Lord Ismay, Secretary-General of the North Atlantic Treaty Organization, was present at the conversations on this subject.'

'In the continuing development of a united Europe, including Germany, we see the best means of achieving greater prosperity, security and stability for its free peoples. We reaffirmed that the European Defence Community is needed to assure the defensive capacity of the Atlantic Community, of which it will be an integral part. Within the framework, it will ensure intimate and durable co-operation between the United Kingdom and United States Forces and the Forces of the European Defence Community on the Continent of Europe. The French Minister of Foreign Affairs explained the problems facing his Government in regard to the European Defence Community.'

'We cannot accept as justified or permanent the present division of Europe. Our hope is that in due course peaceful means will be found to enable the countries of Eastern Europe again to play their part as free nations in a free Europe.'

Easing International Tensions

'Our three Governments will lose no opportunity for easing the tensions that beset the world, and for reassuring all nations that they have no cause to fear that the strength of the West will be invoked in any cause of wrongful violence. On the contrary, it is the fundamental principle of the United Nations Organization, which we serve, that the guarantees

against aggression shall be universal in their application. We are confident that if we remain strong, united and steadfast, it will become possible gradually to solve the stubborn problems which have too long been unsettled.

'In this spirit we have examined the latest Note from the Soviet Government. We approved the text of our replies [see below] which should lead to an early meeting of the four Foreign Ministers. Our hope is that this meeting will make progress towards the reunification of Germany in freedom and the conclusion of an Austrian State Treaty, and thus towards the solution of other major international problems.

Far East and South-East Asia

'We reviewed the situation in the Far East. The immediate object of our policy continues to be the convening of the political conference provided for in the Korean Armistice Agreement. This will provide the means for reaching a peaceful settlement of the Korean question and for making progress in restoring more normal conditions in the Far East and South-East Asia.

'In Indo-China we salute the valiant forces of France and of the three Associated States of Indo-China, fighting within the French Union to protect the independence of Cambodia, Laos and Viet Nam. We recognize the vital importance of their contribution to the defence of the free world. We will continue to work together to restore peace and stability in this area.

'Our meetings have reinforced our solidarity, strengthened our resolve, and fortified our hope. Confident in our common purposes, and united in our views, we shall persevere in our policies, whose sole aim is to foster and assure peace.'

East-West Relations

Four-Power Meeting Agreed

On 26th November a further Soviet Note was received in the series of Western-Soviet correspondence which has been going on since July, accepting the Western offer for talks on Germany and Austria and proposing Berlin as a venue. The Soviet Note again attacked the defence organization of the Western Powers and in particular the European Defence Community, but did not lay down, as in previous Notes, any pre-conditions for the meeting. It announced that the Soviet Government would raise, at the meeting, the question 'of convening at an early date' a five-Power meeting of Foreign Ministers to include, also, the People's Republic of China.

Notes from the three Western Powers were sent to the USSR on 8th December welcoming the Soviet acceptance of the meeting, and expressing their hope that it would 'lead towards the reunification of Germany in freedom and to the conclusion of an Austrian State Treaty'. The Western Notes, after expressing confidence that real progress towards the settlement of these two problems would 'contribute to the solution of other major international problems, including that of European security', and stressing the exclusively defensive nature of the Western defence organization, proposed that the meeting should begin on 4th January in the building formerly used by the Allied Control Council¹ in Berlin.

¹This building is situated in the Western zone of Berlin.

Background

The present exchange of Notes arose out of a Western proposal announced in a communiqué issued after the Washington tripartite conference in July [see 23.7.53 1a(50)]. The Western Powers decided to propose a four-Power meeting to consider 'the first steps which should lead to a satisfactory solution of the German problem, namely the organization of free elections, the establishment of a free all-German Government', and 'the conclusion of the Austrian treaty'.

A Soviet reply on 4th August envisaged a meeting on a widely different basis, and proposed to inject into the discussions a series of other complex questions. Some of these, as the Western Notes of 2nd September pointed out, had already been entrusted to the United Nations or to international bodies such as the political conference on Korea [see 20.8.53 2c(78)].

A further Soviet Note of 15th August [see 20.8.53 2a(184)], proposed a meeting on yet another basis, a German peace conference 'to be held within six months', but linked this proposal with criticisms of the policy of the Western Powers and a series of devices which, as the Western reply of 2nd September [see 3.9.53 2a(195)] pointed out, would have had the effect of postponing to some indeterminate date the holding of free elections in Germany.

The Western Notes of 2nd September renewed the invitation to discuss the German and Austrian problems, a solution of which 'could be expected to pave the way for fruitful discussion of other major questions', and suggested that the meeting might take place at Lugano on 15th October.

The Soviet reply of 28th September [see 1.10.53 1a(72)], after developing at some length the Soviet case on the substance of the German question and other major international issues, went on to propose, 'in conformity with the above': (i) a five-Power meeting (with the People's Republic of China included) to examine measures for reducing tension in international relations; and (ii) a four-Power meeting to discuss Germany.

Western Notes of 18th October again pointed out that some of the main causes of international tension were already under either actual or projected discussion, and repeated their earlier proposal for a four-Power meeting on Germany and Austria at Lugano, suggesting 9th November as a date.

A Soviet reply of 3rd November ignored this invitation and made counter-proposals for a five-Power meeting, laying down a number of pre-conditions which, in effect, asked for the abandonment of the Western defence arrangements. These demands, further Western Notes, published on 16th November, stated to be totally unacceptable to the Western Powers, which could only conclude that the USSR did not wish to enter into any further negotiations. The Western Powers, however, left open their previous invitation and expressed their conviction that 'negotiations on these vital problems would open the way to broader agreement and would thus improve the chances of re-establishing real peace in the world'.

Atomic Energy and Peace

President Eisenhower's Address to the UN Assembly

In an address to the UN General Assembly on 8th December, the text of which is given in an appendix to this issue, President Eisenhower, after giving some facts illustrating the unprecedented destructive power of

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atomic weapons, put forward constructive proposals for the private talks by a sub-committee of 'Powers principally involved' suggested in the UN Assembly resolution on disarmament [see 26.11.53 1c(32)]. He proposed that the Governments principally involved should, 'to the extent permitted by elementary prudence', make joint contributions from their stockpiles of fissionable materials to an international atomic energy agency, the most important responsibility of which would be to devise methods for its allocation 'to serve the peaceful pursuits of mankind'.

The Significant Facts of Today's Existence

Among the 'significant facts of today's existence', which the peoples of the world must know if they were to conduct an intelligent search for peace, President Eisenhower said, were the following:

Atomic bombs today were more than 25 times as powerful as the first atomic weapons set off in 1945, while hydrogen bombs 'are in the ranges of millions of tons of TNT equivalent'.

Today the US stockpile of atomic weapons exceeded by many times 'the total equivalent of the total of all bombs and all shells that came from every plane and every gun in every theatre of war, in all the years of World War II'.

A single air group could now deliver to any reachable target a destructive cargo exceeding in power all the bombs that fell in Britain in the last war.

The development of atomic weapons in size and variety had been such that atomic weapons had virtually achieved conventional status within the US forces.

The secret of the atomic weapon, moreover, was not only possessed by the United States but also by 'our friends and allies, Great Britain and Canada, whose scientific genius made a tremendous contribution to our original discoveries and the designs of atomic bombs'. The secret was also known by the USSR, which had devoted extensive resources to atomic weapons, and this knowledge would eventually be shared by other nations.

Even with the most powerful defence, an aggressor in possession of the effective minimum number of bombs for a surprise attack could 'cause hideous damage' on his chosen targets.

The US purpose was to be constructive. They wanted agreement, not wars. Salvation in a world divided could not be attained 'by one dramatic act', and steps to a new climate of peaceful confidence would have to be taken over many months. 'But I know, above all else, that we must start to take these steps now.'

The Western Record

President Eisenhower went on to say that the Western Powers did not 'shun the conference table'. On record had long stood their request to negotiate on Germany and Austria, and that of the United Nations for negotiations on Korea. Moreover, they had promptly agreed to meet with the Soviet Union, now that there were no unacceptable pre-conditions [see 1a(97)]. The United States hoped that this conference might eventually bring about a free intermingling of the peoples of East and West—'the one sure, human way, of developing the understanding required for confident and peaceful relations'. They sought 'a harmonious family of free European nations, with none a threat to the other and least of all a threat to the peoples of Russia'; and a peaceful opportunity for the peoples of Asia to develop their national resources. These were not 'idle

words or shallow visions'. Behind them lay a story of nations come to independence through a free grant or peaceful negotiations, and of assistance gladly given by the West to needy peoples and those suffering from the temporary effects of famine or natural disaster. These were deeds speaking more loudly than promises or protestations of peaceful intent. He did not, however, wish to rest on past proposals or the restatement of past deeds. The gravity of the time was such that every new way of peace should be sought.

A New Approach

There was at least one such way which had not been explored. The United States would carry 'a new conception' into the private talks suggested by the UN Assembly for a Disarmament Commission sub-committee of 'the Powers principally involved'. These Powers should, to the extent permitted by elementary prudence, make joint contributions from their stockpiles of fissionable materials to an international atomic energy agency to be set up under the United Nations. The most important responsibility of this agency would be to devise methods by which the fissionable material would be allocated to serve the peaceful pursuits of mankind, especially the provision of abundant electrical energy for the power-starved areas of the world. President Eisenhower would be prepared to submit to the US Congress, with every expectation of approval, any such plan which would encourage world-wide investigation into the peaceful uses of fissionable material, begin to diminish the potential destructive power of atomic stockpiles, allow all peoples to see the Great Powers were interested in human aspirations rather than building armaments, and initiate at least a new approach 'to the very difficult problems that must be solved, both in private and public conversations, if the world is to shake off the inertia imposed by fear and make positive progress towards peace'.

US Foreign Policy Statements

Co-operation Between Free Nations

On 2nd December President Eisenhower made a statement to the Press in which he referred to and endorsed a statement, made on the previous day by the Secretary of State, Mr. Dulles, on the United States policy of co-operation between free nations.

Mr. Dulles' Statement

In a statement to the Press on 1st December, Mr. Dulles began by a reference to recent domestic criticisms of US policy, the burden of which, he said, was that the United States spoke too kindly to her allies and sent them 'perfumed notes' instead of using threats and intimidations.

'It is the clear and firm purpose of this Administration', Mr. Dulles declared, 'to treat other free nations as sovereign equals—whether they be large or small, strong or weak'.

Mr. Dulles then outlined United States policy of co-operation between the free nations.

'Today', he said, 'it is to our interest to assist certain countries but that does not give us the right to try to take them over, to dictate their trade policies and to make them our satellites.'

'Indeed, we do not want weak or subservient allies. Our friends and allies are dependable just because they are unwilling to be anyone's

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satellites. They will freely sacrifice much in a common effort. But they will no more be subservient to the United States than they will be subservient to Soviet Russia.

'Let us be thankful that they are that way, and that there still survives so much rugged determination to be free. If that were not so, we would be isolated in the world and in mortal peril.

'Never in all our history was there a time when good friends and allies meant so much to us.

'Today the Soviet Union, with rapidly mounting atomic power, is deterred from attacking by the fact that we could retaliate with a devastating blow against the vitals of Russia. But that possibility exists only because we share the well-located bases of other friendly countries. . . .

'In addition to being dependent upon our allies for prevention and defence against atomic attack, we look to their large industrial strength to keep the balance of world power in the free world's favour. If their resources and facilities fell into the Soviet bloc, it would have the advantage over us not only in the possibility of an initial knock-out blow, but also in terms of capacity to win a long drawn-out war.

'Thus there is need, as never before, of co-operation between the free nations. Others recognize that. So do we. To maintain a co-operation of the free is a difficult and delicate process. Without mutual respect and friendship it would be impossible. We do not propose to throw away those precious assets by blustering and domineering methods.

'We shall be firm and persistent in trying to secure agreement on what we believe to be right. We shall expect a fair sharing of efforts and burdens. But we shall try not to be arrogant, or to demand of others what we ourselves, if circumstances were reversed, would reject. In this way, we retain friendship and we usually reach agreement. The fact that some marginal disagreements persist is no reason for sacrificing friendship by attempting to coerce; the more so because the attempt would be fruitless.

'These fundamentals of our foreign policy were agreed on by President Eisenhower and me before I took my present office. These principles still stand.'

President Eisenhower's Statement

The US President on 2nd December endorsed these statements, adding:

'The easiest thing to do with great power is to abuse it—to use it to excess. This most powerful of the free nations must not permit itself to grow weary of the processes of negotiation and adjustment that are fundamental to freedom. If it should turn impatiently to coercion of other free nations, our brand of coercion, so far as our friends are concerned, would be a mark of the imperialist rather than of the leader.

'What America is doing abroad in the way of military and economic assistance is as much a part of our own security programme as our military efforts at home. We hope to be able to maintain these oversea elements of our security programme as long as our enlightened self-interest requires, even though we may, and probably we always will, have various differences of opinion with the nations receiving our aid.

'We do this because unity among free nations is our only hope for survival in the face of the world-wide Soviet conspiracy backed by the weight of Soviet military power. This struggle dominates all other considerations of our times. The issue—freedom versus Communism—is a life and death matter. To my mind it is the struggle of the ages. . . .'

Economic Development

UK Attitude to SUNFED

On 27th November, the Economic and Financial (second) Committee of the UN General Assembly concluded six weeks of discussion concerning economic development of underdeveloped countries and two specific proposals to aid such development—the creation of a special UN Fund for Economic Development (SUNFED) and the establishment of an International Finance Corporation [see 20.8.53 1b(49-52)].

The Committee adopted three resolutions: the first, which was sponsored by the United States, pledged member countries to stand ready to ask their peoples, when sufficient progress had been made in international world-wide disarmament, to devote a proportion of the savings achieved through such disarmament to an international fund within the framework of the United Nations to assist development and reconstruction of underdeveloped countries.

SUNFED

The second resolution was based on the draft of a working group which had been formed to reconcile conflicting points of view. It invited members of the United Nations and the specialized agencies to submit to the UN Secretary-General detailed comments on the proposals for a fund and on the moral and material support which might be expected from them for such a fund; it decided to appoint Mr. Raymond Scheyven, President of the Economic and Social Council, to examine these comments and prepare an interim report for the eighteenth session of the Council; and it requested the UN Secretary-General to prepare for the Economic and Social Council a working paper on co-ordination between such a fund, the Technical Assistance Board and the Specialized Agencies.

International Finance Corporation

The third resolution was also submitted by the working group. It urged Governments to make known to the International Bank for Reconstruction and Development their views on the possibility of supporting an International Finance Corporation, and requested the Bank to report to the eighteenth session of the Economic and Social Council; it also requested the Economic and Social Council to examine at its seventeenth session the study which was being prepared by the UN Secretary-General on the role of private external capital in the development of under-developed countries, and to consider the report being prepared by the group of experts on international price relations appointed by a resolution of the seventh session of the General Assembly.

The voting was 41-0 with 13 abstentions on the first resolution, 50-0 with five abstentions on the second, and 46-0 with five abstentions on the third. The Soviet bloc abstained on all three resolutions.

Speech of UK Delegate

The prolonged discussions were devoted mainly to reconciling the points of view of the under-developed countries and of those countries, such as the United States and the United Kingdom, which would be the main sources of international finance. Speaking on 29th October,

Sir Clifford Norton, the United Kingdom delegate, said that his government thought that in principle there was value in the concept of the proposed Special Fund. He wondered, however, whether the hopes placed in its potential effects were not in fact too great. The United Kingdom had contributed £140 million in the past decade to economic development of its oversea territories and made large contributions in the international field, and its experience taught that the real roots of development were planted in the efforts of the peoples of the under-developed countries themselves. External capital could often have a really crucial effect only in special cases.

Recalling that in the past eight years the United States had supplied \$6,000 million for the purposes of economic development, Sir Clifford asked whether it should be so surprising that the major capital-exporting countries were, in present circumstances, reluctant to commit themselves to new ventures.

He had no doubt, he said, that the priority accorded to defence was right and inevitable. Defence expenditures and military assistance programmes totalled 70 per cent of the United States budget. The United Kingdom figure, he added, was no less impressive. The Netherlands representative, he recalled, had stated that if out of every \$340 spent for defence the equivalent of \$1 could be set aside for the Special Fund, its establishment might be possible. Sir Clifford said he was not convinced that every dollar and every pound being spent for defence were not essential. In any case, governments had many other calls upon their resources.

Sir Clifford said he had no desire to consign the proposed Special Fund to oblivion, but to be successful the fund should have the support of the more developed countries, and it would not be prudent to take steps now which would make it difficult for those countries to join the fund at a later stage. He recalled that the United States draft resolution would commit the US Government to ask the concurrence of the American people, when sufficient progress had been made in internationally supervised world-wide disarmament¹, to devote a portion of the savings to an international fund. He considered this 'a very remarkable pledge and one which holds great hope for the future'.

United Kingdom Attitude

In reply to questions in the House of Commons on 7th December 1953, Mr. Selwyn Lloyd, UK Secretary of State for Foreign Affairs, defined the attitude of the United Kingdom towards the development of under-developed countries and the proposed Special United Nations Fund for Economic Development. Mr. Lloyd said that the United Kingdom Government emphatically supported the development of under-developed countries. The United Kingdom delegate had voted for the resolution on the subject of the proposed Special United Nations Fund, which also had the support of all the delegates from under-developed countries, but the conditions for establishing machinery for the operation of such a fund did not yet exist.

The principal difficulty was that none of the potential contributors was prepared to add at the present time to its oversea commitments. The United Kingdom, for example, had spent, in the 12 months ended 30th September 1953, £27 million through Government channels alone on economic development, relief and reconstruction overseas, and that

¹This conception was also written into the resolution adopted by the Assembly on disarmament [see 26.11.53 1c(33)].

figure did not include the figures for private investment, or sums raised in London by other Governments. In addition, the United Kingdom had agreed to make available to Pakistan a credit of £10 million and had agreed, under the Colombo Plan, to release sterling to the equivalent of £42 million for India, Pakistan and Ceylon.

Until savings could be made in other directions—and the obvious saving would be on disarmament—he could see no prospect of the United Kingdom Government being able to contribute to a new fund of the kind proposed.

The United Kingdom Government, however, did not take the same view of this matter as the Government of the United States. The US representative had stated during the debate that they did not believe that any special steps could be usefully taken at this time for the establishment of such a fund, while the United Kingdom delegation had persuaded, or taken part in persuading, all the members of the committee that the project should be kept in view.

USSR and ILO Membership

Conditional Acceptance of Obligations

On 6th November 1953, Mr. David Morse, Director-General of the International Labour Organization (ILO), announced receipt of a communication stating that the Government of the USSR had decided to accept the obligations of the constitution of ILO, but would not consider itself bound by the clause of the constitution providing for reference to the International Court of Justice of 'any question or dispute relating to the interpretation of the ILO constitution, or any subsequent convention concluded by the members in pursuance of the provisions of this constitution'.

In a reply, which was made public on 16th November, Mr. Morse pointed out that the ILO constitution made no provision for membership on the basis of incomplete acceptance of obligations laid down therein, and suggested that the USSR might wish to reconsider its position.

UK Delegate to the United Nations

Sir Pierson Dixon to Succeed Sir Gladwyn Jebb

It was officially announced in London on 24th November that Sir Gladwyn Jebb, who has been the UK permanent representative to the United Nations since June 1950, had been appointed as Ambassador to France in succession to Sir Oliver Harvey, who is to leave his post in March 1954.

Sir Gladwyn will be succeeded as permanent representative to the United Nations by Sir Pierson Dixon, who is at present Deputy Under-Secretary of State at the Foreign Office. Sir Pierson, who entered the Foreign Office in 1929, after holding various appointments overseas, was Principal Private Secretary to the Foreign Secretary from 1943 until 1948, when he was appointed Ambassador in Prague. Sir Pierson attended all the major allied conferences during, and immediately after, the second world war, and was present at the San Francisco conference which drew

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up the Charter of the United Nations. He became Deputy Under-Secretary of State at the Foreign Office in 1950 and was responsible first for political and later for economic affairs.

Sir Harold Caccia, at present UK Ambassador at Vienna, will succeed Sir Pierson at the Foreign Office.

The UN General Assembly adopted in plenary session, on 3rd December, a resolution expressing 'grave concern' at reports of atrocities committed in Korea against UN troops and against the civilian population, and condemning the 'commission by any governments or authorities' of such 'atrocious acts'. An account of the discussion of the resolution in the Assembly, with summaries of statements made by the UK, US and Soviet delegates will be found in 2c in this issue.

ERRATUM

In the issue of 26.11.53 1b(55) line 20, for \$25,300,000 substitute \$23,500,000.

Reduction of International Tension

UN Assembly Debate

Between 19th and 26th November the Soviet item on 'measures to avert the threat of a new world war and to reduce tension in international relations' was discussed in the Political Committee of the UN General Assembly. The Soviet delegate, M. Vyshinsky, introduced a resolution on 19th November which included proposals already referred to during the Committee's earlier discussions on disarmament [see 26.11.53 1c(22)], among them being the unconditional prohibition of atomic weapons, a one-third reduction of armed forces of the great Powers, the calling of an international conference on disarmament, the elimination of bases on foreign soil and the ending of propaganda aimed at 'preparing a new world war'. The Soviet proposals were rejected by the Committee on 26th November and by the Assembly in plenary session on 30th November.

STATEMENT BY MR. SELWYN LLOYD

In the course of the discussion of the Soviet proposals the UK delegate, Mr. Selwyn Lloyd, made a speech on 23rd November in which he asked the Assembly not to place its hope for a peaceful solution of world problems 'in resolutions under resounding titles', but in 'painsstaking, persevering hard work, problem by problem, issue by issue . . .'

Mr. Selwyn Lloyd pointed out that the first passages of the Soviet resolution, those referring to the unconditional prohibition of atomic weapons and a one-third reduction of armed forces, had already been referred to the Disarmament Commission, and that 'if the Soviet Union will agree to permit the Disarmament Commission itself to examine the problems involved in the establishment of strict international control of disarmament, including the abolition of atomic weapons, then perhaps real progress can be made'.

Bases on Foreign Soil and Soviet Strategy

Mr. Selwyn Lloyd considered untrue the Soviet contention that the establishment of military bases on foreign soil increased the threat of a new world war. A base, he said, 'established by one ally on the territory of another ally, a base established by free consent, whether or not formalized in a treaty', brought many advantages to a host country by assisting its economy, aiding in technical development, 'and above all by increasing its capacity to defend itself against its actual or potential enemies'. Whether such bases were a threat to world peace depended upon the purposes for which they were built, upon whether they were for offensive or defensive purposes. This, and not the existence of the bases, was the crux of the matter. The Soviet Union, declared Mr. Selwyn Lloyd, always seemed to direct its propaganda against weapons in which they were weaker or against facilities of which they had no need. This 'certainly accounts for the continued Soviet attempt to isolate atomic from conventional weapons', and 'it also applies on the issue of bases'. Operating on interior lines the Soviet Union could, either offensively or defensively, shift at will from north to south, or from west to east, within the great land mass extending across two continents. But the security of the western nations, having no land mass to fall back into, depended upon their having defensive facilities far afield from their own shores. 'The banning of bases in foreign countries would not harm the Soviet Union at all. But it would gravely impair the collective

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security of the free world.' It was 'not just coincidence that the Soviet peace offensive should be directed against the kind of weapons in which the Soviet Union is inferior and the kind of facilities of which she has no need'.

Propaganda 'Inciting Hatred and Enmity Among Nations'

As to the proposed condemnation of 'propaganda which is being conducted in a number of countries with the aim of inciting hatred and enmity among nations', Mr. Selwyn Lloyd said that he doubted whether he and M. Vyshinsky would agree on a common list of the States to be included within the phrase 'a number of countries'. He recalled that there was a free Press in the United Kingdom and that the Government could not control or censor what was written. The extent to which responsibility for what was written should lie with a Government had to depend on whether or not there was this freedom of the Press. He agreed that it would be a splendid thing if there could be a return to more courteous conventions in the newspapers, in the debates at the United Nations and in international negotiations, and added that, 'in this business of stopping vicious propaganda, example is better than precept'.

SOVIET STATEMENT

Later in the discussion, M. Vyshinsky made a further statement in support of his proposals, denying that they had already been dealt with during the debate on disarmament. He denied that the USSR was trying to isolate atomic weapons from conventional armaments, and declared that the USSR possessed both the atomic and the hydrogen bomb. The USSR was not weaker in this field, he said; this was a 'deflated fairy tale'. The USSR 'cannot and does not lag behind in these weapons'. He also contended that 'unchallenged military and strategic control over the whole of the Western hemisphere has been taken over by the United States'. The establishment of bases on foreign soil was in line with 'the bellicose plans of the aggressive North Atlantic bloc'. NATO was the best proof that many countries had had to agree to military measures because they were 'bound by financial chains of gold'.

The 'small Soviet units' stationed in Hungary and Roumania, he added, were to insure Soviet Army communication lines, in accordance with the peace treaties.

FURTHER UK STATEMENT

On 27th November, Sir Gladwyn Jebb, the UK permanent delegate, made a statement in the Committee explaining why the United Kingdom had voted against the resolution. The Soviet proposal, said Sir Gladwyn, was a 'cold war item', designed to enable M. Vyshinsky to bring out his absurd thesis that all non-Communist States were dominated by the so-called ruling circles of the United States, and that they were being mobilized for war against 'that home of freedom, that peaceful collection of workers and peasants which is the Soviet Union'. Criticism of the Anglo-American chain of bases came strangely from a State like the Soviet Union, which had troops scattered over such a wide area of territory not its own, said Sir Gladwyn. By its suppression of any free régime in all the territories within its reach, the USSR had made it inevitable that those States which wished to remain free should continue to resist any further enslavement.

President Eisenhower's address to the UN General Assembly on 8th December, proposing an international 'bank' of fissionable material for peaceful uses, will be found in summary in 1a and in a roneoed Appendix to this issue.

Forced Labour

UN General Assembly Discussions

Between 20th and 27th November, the item 'evidence of existence of forced labour' was discussed in the Third (Social, Humanitarian and Cultural) Committee of the UN General Assembly. On 27th November, a resolution was adopted by the Committee, by 36 votes in favour with 5 against and 10 abstentions, which would: affirm the importance attached to the abolition of all systems of forced or 'corrective' labour; invite the Economic and Social Council and the International Labour Organization to give early consideration to the report of the *ad hoc* Committee on Forced Labour [see 9.7.53 1d(15)]; and request the Economic and Social Council to report on forced labour to the next session of the General Assembly.

UK Delegate's Statement

In the course of the Committee's discussions a statement was made by the UK delegate, Mrs. Emmett, on 23rd November, in which she urged that the Economic and Social Council and the International Labour Organization should give early consideration to the report of the *ad hoc* Committee, and expressed her hope that constructive suggestions would result from the deliberations of these bodies. The report, she said, was one of the most carefully documented publications ever produced by the United Nations.

Forced labour, said Mrs. Emmett, was a term carrying condemnation and odium for those who employed it. It meant, quite simply, working under compulsion by force or threat of force. There had been a time when penal labour had been considered a proper form of punishment for crime, but in most countries of the world the old conception of hard labour for convicts was dying out¹. If forced labour in the world today were limited to the work performed by the ordinary prison population, Mrs. Emmett doubted very much whether it would be featuring as an item on the agenda.

It was overwhelmingly clear from the report of the *ad hoc* Committee, however, Mrs. Emmett continued, that 'certain countries, far from the enlightened abandonment of forced labour in their present system, have expanded it as a political and economic weapon'. In the view of the UK Government, such a use 'is a disastrous setback in the political evolution of our time, and one which it is not possible to pass over in silence'. The United Kingdom believed it had a duty to call public attention to such conditions wherever they existed, and it appealed to governments, in the name of suffering humanity, to move away from these immature and cruel methods of government.

There was, moreover, the economic side of the question. What, said Mrs. Emmett, were the free workers of the world to think of governments and systems which undermined the fair competition of world prices with slave labour? The UK Government upheld the trade union movement in its endeavour to protect and improve the conditions of the workers. In the United Kingdom trade unions would not tolerate forced labour. It cut across all rights and safeguards they had established throughout the years for their members and undersold a proper and economic wage for any given work; it aimed at destroying the opportunity that an honest and

¹'Hard Labour' was abolished in the UK penal system by the Criminal Justice Act (1948) [see *Home Affairs Survey* 11.11.47, Vol. 1 *Administration*, p.3].

skilled worker had to sell his services in the best market he could find; and it denied the wage-earner the dignity of free choice of his trade, reducing men to the level of animals who existed by the grace and favour of their masters.

The Communist countries, Mrs. Emmett declared, 'have written fine sentiments into their constitutions. We have heard, here, speeches telling us of the many good things they have done for the masses in their countries from the material point of view. But you can be fed, clothed and housed in prison also, and to live, however well in the material sense, is no life unless there is also freedom to choose how you shall live'.

In certain parts of the world, Mrs. Emmett said, there now existed a 'modern system of slave labour which represents a denial of all the most fundamental human rights'. The spotlight of world opinion should be focused on the report of the Committee on Forced Labour, not to secure a propaganda victory, but 'to convince the governments in whose countries forced labour exists on a large scale that the people of the world view their policy with horror and loathing'.

Effective action could come in the last resort only from a change of heart in the governments of the countries concerned, Mrs. Emmett continued. In sponsoring the resolution before the Committee the UK Government was 'moved by an immense compassion for a multitude of human beings constrained to labour beyond their physical endurance, beyond the legitimate demands of justice, and beyond the reach of mercy'.

'Power over fellow human beings corrupts,' she concluded, 'and absolute power breeds total corruption. We would appeal in all sincerity to all peoples of the world to abandon the ways of tyranny, and so make the United Nations Charter more nearly a reality, upon which will be based not only the words but the deeds of all governments and all people everywhere'.

Statement by Soviet Delegate

The Soviet delegate, M. Saskin, made a statement on 20th November in which he declared that the report of the *ad hoc* Committee was a 'libellous pamphlet', which was 'full of lies and slanders'. The Committee, he said, had been 'financed and publicized by the United States State Department' and had not heard the testimony of a single 'responsible or organized' organization. The real basis of forced labour existed to the widest extent in the capitalist countries, particularly the United States, where the conditions of the workers were 'constantly deteriorating'. The Soviet penal code, he said, had been wilfully 'falsified and distorted' by the members of the Committee. There was no forced labour in the USSR and the 'exploitation of man by man' was outlawed in the Soviet Union.

The British Council

Annual Report for 1952-53

The annual report of the British Council for the year ended 31st March 1953 was published on 5th November. The report describes the work undertaken by the Council overseas, and also in welcoming visitors and students from overseas to the United Kingdom during the year. A series of appendices to the report provide statistical and other information on the variety and scope of the Council's activities. Reviews of the sections of the report dealing with the Council's work in the Commonwealth and the dependent territories will be found in *Commonwealth*

Survey 6.11.53 1f(50) and 20.11.53 2e(57), respectively. A summary of the Council's report for the year ended 31st March 1952 will be found in *International Survey* 30.10.52 2h(29).

Activities Overseas

Europe. For financial reasons the Council had been able to maintain the level of its activity in Europe in Germany and Yugoslavia only, the report stated, and there had been a deliberate transference of funds away from Europe to meet growing demands in the Far East.

Middle and Far East. The Council's report declared that the keen desire for cultural relations with Britain had continued throughout the Middle and Far East, particularly in the countries in which the teaching of English had recently been given a more prominent place in the curricula of universities and schools. Increased numbers of teachers' courses, summer schools, and technical training courses had been organized or assisted by the Council, with greater participation by local institutions.

Although the Council had had to withdraw from China and Persia, during the year a representative had been appointed for the first time to Japan. A slight increase of staff had been made in South-East Asia in order to meet more of the heavy demand for the co-operation of the Council in various educational projects, and it had been possible, for the first time, to arrange for a tour of South-East Asia by a lecturer from the United Kingdom. Lending libraries had been organized for use up-country, and the Shanghai library had been transferred to Bangkok.

In Egypt, new premises had been acquired in Cairo to replace those destroyed in the riots [see 7.2.52 1h(28)] and the British Schools continued to flourish, although the dismissal of all British staff from Egyptian universities and schools had been a heavy blow to cultural relations between the two countries.

An account of the Council's work in Indonesia between 1948 and 1953 occupies a separate chapter of the report. An opportunity for the Council to extend its work considerably in Indonesia had been given by the introduction in 1950 of English as a compulsory second subject in schools and universities.

Latin America. During the year, there had been a further transfer, made necessary by financial cuts and staff reduction, of some of the specialized work of the British Council in Latin America to local Anglophil societies. In many cases this had meant a drastic reduction of activity in the various fields, but the activities of the Council in the past had laid a solid foundation for cultural co-operation with Latin America. There were also a large number of Council visitors to the United Kingdom from Latin America during the year, and a Federation of British Industries engineering training mission had visited nine Latin American countries in connection with the establishment of a scholarship scheme for young Latin American engineers [see 13.11.52 2c(32)].

Overseas Visitors to the United Kingdom

More than 2,500 visitors from countries overseas, excluding the British Commonwealth, had come to the United Kingdom under British Council auspices during the year. Courses and study tours had been arranged and a considerable programme of post-graduate scholarships and bursaries maintained. An increasing proportion of visitors from overseas were coming from the Middle East, from South-East Asia and from Latin America to study chiefly subjects directly related to the needs of those areas, such as science, engineering, medicine and social sciences.

BBC Annual Report

The range of broadcasts to audiences overseas, and the extent to which information and facilities are exchanged between the broadcasting systems of different countries, are described in the *Annual Report and Accounts of the British Broadcasting Corporation for the Year 1952-53*, recently published as a White Paper (Cmd. 8928). Sections of the report, dealing with the home services of the BBC and with co-operation among Commonwealth countries, were described in *Home Affairs Survey* and *Commonwealth Survey* respectively. The report for the year 1951-52 was summarized in the *International Survey* of 16.10.52 2h(22).

General External Services

Services were provided during the year in 45 languages, the report states. A comprehensive programme was supplied for all parts of the world, and the European services were maintained and in some cases expanded. The re-broadcasting of BBC programmes by United States networks had been increased by 15 per cent, and there had been a striking increase of 160 per cent in the amount of re-broadcasting by individual stations in the United States, accounted for largely by educational programmes. The number of listeners to the BBC's programmes appeared to have increased in Saudi Arabia and in the Persian Gulf Area, and possibly also in Iraq, and the BBC's service in the Far East and South-East Asia had been much improved.

The possibilities of future collaboration with television services overseas were studied, and in May 1952 proposals on the subject were submitted to the Government departments concerned.

Soviet Jamming of Broadcasts

During the year there was a continued increase in the jamming of BBC services [see 26.2.53 2d(5)], and interference was applied for the first time to the Roumanian, Bulgarian, Albanian and Hebrew services. Jamming was especially serious in its effects on the BBC broadcasts to Czechoslovakia, Hungary and Poland, but the services to these areas were strengthened and reports from all the countries concerned indicated that the broadcasts were still widely heard.

Technical Co-operation

The BBC continued to co-operate with the European Broadcasting Union [see 10.3.50 3h p.21], and took part in the activities of the International Consultative Committees on Radiocommunication (CCIR), and Telephony (CCIF) and of the International Committee on the Suppression of Electrical Interference (CISPR). It was also represented at the European Broadcasting Conference on the assignment of very high frequencies, held in Stockholm in June 1952.

UK Official War Histories

The War in France and Flanders 1939-40

The War in France and Flanders 1939-40, the second of the campaign volumes in the UK official military history of the 1939-45 war, is to be published by the UK Stationery office on 25th January 1954. The plan for these official war histories, which will consist of five general volumes, a group of campaign volumes and four volumes on civil affairs and military government, was discussed by Sir Winston Churchill in a statement in the UK House of Commons on 21st November 1952 [see 11.12.52 1a(75)]. Unlike the official histories of the war of 1914-18, these histories have been planned on an inter-service basis, i.e. as a single history of all three services.

The first of the campaign volumes, *The Campaign in Norway*, by Dr. J. K. Derry, was published on 10th December 1952.

Scope of the New Volume

The War in France and Flanders 1939-40, written by Major L. F. Ellis, opens with an analysis of pre-war policy and plans. This is followed by an account of developments during the winter of 1939-40 in building up the United Kingdom forces in France, in training, and in the construction of airfields and ground defences. Succeeding chapters give a detailed account of the part played by British forces in the situation arising from the German invasion of Belgium and culminating in the fighting withdrawal of these forces through Dunkirk and other French ports.

The history is completed by a review of air operations, a critical discussion of the campaign and of the part played by Allied generalship, and a supplement on the German planning and conduct of operations.

A list of the British forces engaged is appended with notes on their organization and equipment. In another appendix is given the original text of all French and German orders and other documents quoted in translation. There is also an explanatory note on the organization of the German armies engaged in the opening phase. The volume is illustrated by photographs of the principal military leaders on both sides and of important geographical features. There are also numerous maps.

UK Imports of Fruit & Vegetables

Increased Tariffs in Accordance with GATT Decision

Increases in UK import duties on certain fresh fruits and vegetables, in accordance with the terms of the waiver recently granted to the United Kingdom by GATT [see 12.11.53 1e(78)], were announced in the House of Commons on 30th November by Mr. P. Thorneycroft, President of the Board of Trade. The increases, which took effect from 1st December, were accompanied by the removal of quantitative restrictions on those products. Details of the changes were given in a White Paper [Cmd. 9018].

In his statement Mr. Thorneycroft said that the Government's decision to raise the tariffs had been taken after full consideration of the evidence submitted by producers, importers, distributors and other interested

organizations, and after taking fully into account the interests of consumers. 'In accordance with the procedures established under the waiver recently agreed by the contracting parties to the General Agreement on Tariffs and Trade', he went on, 'Her Majesty's Government duly notified, where this was necessary, their intention to increase these tariffs. Upon the expiry of the thirty days required under these procedures, consultations had been requested in respect of only two items —dried peas, where consultations were requested by the Netherlands Government and by the United States Government, and plums, by the United States Government. Agreement was reached with the Netherlands Government, before the expiry of the thirty days, that, in the circumstances at present foreseen, the waiver should apply. I am also glad to say that the United States Government have withdrawn their request for consultation on dried peas. A supplementary Order covering this item will therefore be laid as soon as possible. Discussions are still taking place with the United States Government about their request for consultation in respect of plums.'

'Quantitative restrictions, including seasonal restrictions, will be removed tomorrow on imports of the range of goods covered by the decisions recorded in the White Paper, when imported from Western Europe and certain other foreign countries.'

British Council for the Promotion of International Trade

Mr. Eden on Communist 'Front' Organization

In the House of Commons on 18th November (*Hansard* col. 164), the Secretary of State for Foreign Affairs, Mr. Eden, made the following statement on the British Council for the Promotion of International Trade [see 12.11.53 1a(88)].

'It is public knowledge that a number of the members of the British Council for the Promotion of International Trade are (or were until recently) either members of the Communist Party or closely associated with bodies which are already generally recognized to be Communist "front" organizations, and are proscribed by the Labour Party. The fact that some highly respectable personalities are connected with it is a measure of its success as a "front" organization. These members, in fact, provide the "front".

'It is also public knowledge that the Council was formed as a direct consequence of the Moscow "International Economic Conference", which was itself initiated by the World Peace Council, one of the principal agencies of Communism in the Western World. The Council is linked, both by its published "aims" and by interlocking membership, with an international network of similar committees (all formed in the summer of 1952), which are headed by an international "Committee for the Promotion of International Trade", whose secretary is himself a member of the World Peace Council.

'Although the Council claims to act in the interests of promoting trade between Great Britain and "other countries", in fact, its publications are invariably biased in favour of Communist international economic policy. It is interested solely in developing Britain's relations with Communist countries, with the notable exception of Yugoslavia.'

Atomic Energy Information

US-UK-Canadian Exchange

On 20th November 1953, according to press reports, the Chairman of the US Atomic Energy Commission, Mr. Lewis L. Strauss, in a speech at a dinner sponsored by the Chamber of Commerce of Richmond, Virginia, said: 'Within recent weeks we have found it possible within the law—and with the approval of all members of the joint Congressional Committee on atomic energy—to arrange for an extension of the exchange of information with our war-time allies, Britain and Canada.

'This is for the purpose of improving our ability to defend ourselves against the effects of atomic weapons, but the exchange does not envisage any disclosures about the nature of our atomic weapons themselves.'

UK Government Statement

In answer to a Parliamentary question on the 26th November, Sir Winston Churchill said: 'The Chairman of the United States Atomic Energy Commission recently stated that it had been found possible to make arrangements, within the limits imposed by the McMahon Act (the Atomic Energy Act, 1947), to extend the existing area of co-operation to include exchange of information with us on the effects of atomic weapons on human beings and their environment.

'The provision about the exchange of information on the industrial uses of atomic energy remains unchanged.'

The Minquiers and Ecrehos Case

Judgment of the International Court

On 17th November judgment was given by the International Court of Justice on the question of sovereignty over the islets and rocks in the Minquiers and Ecrehos groups. The case had been submitted by agreement between the United Kingdom and French Governments, each of which claimed the islets. The Court unanimously found that sovereignty belonged to the United Kingdom. Judges Basdevant (France) and Carneiro (Brazil), while concurring in the Court's decision, added statements of their individual opinions.

The Minquiers lie to the south-east, and the Ecrehos to the north-east, of Jersey in the Channel Islands¹. On few of the islets in the groups are there permanent habitations, but inshore fishing is of local importance.

United Kingdom policy has been to secure international acceptance of the idea that legal disputes between States should be settled by legal means [see 24.1.52 1h(14)]. Some cases in which the UK Government had been concerned have already been settled by the International Court of Justice, such as the Corfu Channel case [see R.1761 of 22.4.49] in which judgment was given in favour of Britain, and the Anglo-Norwegian fisheries case in which judgment went against her. In the latter case, as Sir Eric Beckett, then Legal Adviser to the UK Foreign Office, said,

¹The Channel Islands, which are dependencies of the Crown outside the United Kingdom, have been under British administration since the conquest of Britain by William of Normandy in 1066.

the UK Government loyally accepted the judgment as binding on itself. The UK Government has shown willingness to let other legal questions, such as the claims of Argentina and Chile to the Falkland Islands Dependencies and the Guatemalan claims to British Honduras [see 31.12.48 1c pp.19-31], be submitted to judicial settlement, but in these cases the claimants have not agreed to accept a legal verdict. UK support has also been given in the United Nations on many occasions for the submission of legal disputes and differences to the International Court.

Importance of the Exercise of State Functions

In its judgment on the Minquiers and Ecrehos case, the Court began by reviewing the evidence submitted by both sides, which involved historical events, and documents dating back to the Norman conquest of Britain. The Court's opinion, however, was that, for the purposes of deciding this case, it was not necessary to solve these historical controversies 'in this remote feudal epoch', and particular weight was given to the 'probative value' of acts invoked by the UK Government 'which relate to the exercise of jurisdiction and local administration' and to legislation.

The Court found that, during the greater part of the nineteenth century and in the twentieth century, the British authorities had 'exercised State functions in respect of the [Ecrehos], group'. An analogous finding was made concerning the Minquiers.

Trieste

Italian and Yugoslav Frontier Troops to be Withdrawn

According to press reports, an official statement was issued after a meeting between Sig. Pella, the Italian Prime Minister and Foreign Minister, and the Yugoslav Minister in Rome on 5th December, to the effect that Italy and Yugoslavia had agreed to withdraw troops deployed along their common frontier. It was agreed that action should be taken simultaneously on both sides, should begin immediately, and be completed promptly.

UK Statement on Refugees

On 30th November, in answer to a question in the UK House of Commons, Mr. Eden, UK Foreign Secretary, said that emigration of refugees from Zone A of Trieste was making good progress. Voluntary agencies, including the World Council of Churches, the National Catholic Welfare Conference, the Tolstoy Foundation, the International Red Cross and others, had in hand a programme for the resettlement of several hundreds in countries in Western Europe which should be completed by the end of the year. In addition, the Allied Military Government was in touch with Governments willing to accept refugees, with the UN High Commissioner for Refugees [see 1.10.53 1e(70)], and with the Inter-Governmental Committee for European Migration [see 9.7.53 1e(34)].

In a reply to an earlier Parliamentary question, on 28th October, Mr. Eden had given the total number of refugees in Zone A as 6,237, the main linguistic groups being: Yugoslavs 3,068; Russians and Ukrainians 1,337; Hungarians 362; Roumanians 288; Czechs 278; Greeks 215; Bulgarians 196. There were also in Zone A, Mr. Eden said, an estimated 20,000 to 30,000 unregistered refugees from Austria and Zone B, whose interests were looked after by an Italian organization for aid to Italian and Dalmatian refugees.

UK-US Economic Co-operation

US Aid to Britain in First Half of 1953

Details of aid received by the United Kingdom from the United States under the US Mutual Security Programme and other programmes in the first half of 1953, are given in the sixteenth report on operations under the UK-US Economic Co-operation Agreement of 1948, published as a White Paper on 30th November [Cmd. 9017]. The report also includes a review of economic developments in the United Kingdom and of European economic co-operation over this period.

Aid Received

Table I summarizes the amounts of dollar aid received by the United Kingdom under different US aid programmes up to 30th June 1953, while Tables II and III give details of commodities and services supplied under the Mutual Security and Mutual Defence Assistance programmes respectively.

Other US aid provided in the first half of 1953, but for which no details are published, included military equipment, chiefly bombers and anti-submarine aircraft, rocket launchers and rockets, engineering and electronic equipment, specialist vehicles and spare parts for the maintenance of US-type equipment already held by the Forces. Some of the equipment was produced in the United Kingdom and financed by the United States under the offshore procurement programme (see below). Arrangements have also been made for spending the sterling counterpart of \$9 million conditional aid under the Benton and Moody Amendments to the Mutual Security Act of 1952 [see 26.2.53 2a(53) and *Home Affairs Survey* 1.9.53 2f(50)].

TABLE I
US AID TO BRITAIN TO 30TH JUNE 1953

Type of Aid	Allotment	Total of procurement authorizations issued to 30th June 1953	Total reimbursements by MSA to 30th June 1953	Reimbursements by MSA in the six months to 30th June 1953	\$ million
Mutual Security Aid	670.0(a)	671.5(b)	490.9	127.2	
Mutual Defence Assistance	122.2	122.2	98.7	44.9	
European Recovery Programme	2,692.0	2,692.0	2,692.0	—	
Katz-Gaitskell Agreement	91.9	91.9	91.9	—	
TOTALS	3,576.1	3,577.6(b)	3,373.5	172.1	

(a) Includes \$9.6 million Conditional Aid, and \$2.3 million transferred from ERP allotment.
 (b) Procurement authorizations in excess of the allotment were granted at the end of US fiscal year, 1952-53, to provide for programme adjustments.

TABLE II
DETAILS OF MUTUAL SECURITY AID

Commodity or Service	Source	Value of procurement authorizations to 30th June 1953	Total receipts to 30th June 1953	\$ million	Receipts in six months to 30th June 1953
<i>Food</i>					
Coarse grains	USA	24.94	24.93		17.00
<i>Fuel</i>					
Petroleum and products	USA	18.36	15.58		(4.61)(a)
" " "	O.W.H.(b)	48.26	30.95		11.09
" " "	M.E.(c)	18.75	18.75		—
<i>Raw materials and semi-finished products</i>					
Manila hemp	O.W.H.(b)	2.00	0.05		0.05
Cotton	USA	20.13	19.23		17.68
Naval stores	USA	2.00	0.01		0.01
Chemicals and related products	USA	3.59	1.88		0.66
" " "	Canada	1.00	0.50		—
Fabricated basic textiles	USA	1.81	1.81		—
Lumber and lumber manufactures	USA	3.00	2.99		(0.01)(a)
Pulp and paper	USA	7.40	1.16		(0.84)(a)
" " "	Canada	6.99	6.54		1.55
Non-metallic minerals	USA	21.43	13.57		3.06
Metallic ores and concentrates	USA	2.58	1.35		0.77
" " "	Canada	13.69	7.40		3.36
" " "	O.W.H.(b)	38.50	5.00		0.72
Iron and steel mill materials and products, including ferro-alloys	USA	80.15	75.37		6.79
" " "	Canada	32.75	29.58		10.71
<i>Non-ferrous metals and products—</i>					
Aluminium	Canada	156.31	124.44		31.67
Copper	Canada	47.74	40.51		14.55
"	O.W.H.(b)	2.97	2.97		—
Lead	Canada	13.66	8.28		0.64
Nickel	USA	2.00	—		—
"	Canada	2.00	—		—
Zinc	Canada	41.80	30.46		3.01
Other	USA	1.50	—		—
"	Canada	2.72	2.72		0.23
Rubber and rubber products	USA	2.88	2.13		0.83
<i>Machinery and vehicles</i>					
Electrical apparatus	USA	0.38	0.38		—
Construction, mining and conveying equipment	USA	3.00	1.91		0.02
Machine tools	USA	14.50	0.53		0.53
Metal-working machinery (except machine tools)	USA	1.50	—		—
Parts for agricultural machinery and tractors	USA	7.26	5.82		1.54
Industrial machinery	USA	10.50	4.69		3.26
Motor vehicles	USA	1.00	—		—
Tractors	USA	1.81	1.81		0.02
<i>Ocean transportation</i>	—	10.62	7.59		2.93
TOTALS		671.48	490.89		127.22

(a) Refunds.

(b) Other Western Hemisphere.

(c) Middle East.

TABLE III
DETAILS OF MUTUAL DEFENCE ASSISTANCE

Commodity or Service	Source	Value of procurement authorizations to 30th June 1953	Total receipts to 30th June 1953	Receipts in six months to 30th June 1953	\$ million
<i>Raw materials and semi-finished products</i>					
Lumber and lumber manufactures ..	USA Canada	0.15	0.15	—	
Metallic ores and concentrates ..	USA Canada Bolivia	1.66	1.66	—	
<i>Non-ferrous metals and products</i>					
Aluminium	Canada	3.34	3.34	—	
Copper	USA Canada	3.01	3.01	—	
Zinc	USA	0.67	0.67	—	
<i>Machinery and vehicles</i>					
Construction, mining and conveying equipment	USA	0.02	0.02	—	
Machine tools	USA	100.76	80.11	41.36	
Metal-working machinery (except machine tools)	USA	11.87	9.09	3.53	
Parts for agricultural machinery and tractors	USA	0.45	0.45	—	
<i>Ocean transportation</i>	—	0.25	0.25	—	
TOTALS	—	122.18	98.75	44.89	

Offshore Procurement

Up to 30th June 1953, the United States had placed offshore orders in the United Kingdom totalling \$444 million for military equipment for allocation to NATO countries, including the United Kingdom [see 29.10.53 2a(233)]. The report points out that such contracts provide an important prospective source of dollar income. Payments are governed by the rate of progress in deliveries; at 30th June 1953 they amounted to \$20 million. Orders were also placed by the US Government for equipment and supplies for the US Forces; these orders were not, however, part of the aid programme.

European Political Community

Conference of Foreign Ministers at the Hague

The Foreign Ministers of Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands met at The Hague from 25th to 28th November, for a further discussion of the constitution of a European Political Community, and of the recommendations of the six deputy Foreign Ministers who had met in Rome from 22nd September to 9th October. The meeting was also attended by a delegation from the

[Over]

Council of Europe, led by M. Mollet, Secretary-General of the French Socialist Party, and including two United Kingdom Members of Parliament, Mr. Alfred Robens and Mr. Julian Amery.

Results of the Conference

The Ministers agreed that the lower chamber of the proposed European Assembly should be elected by direct universal suffrage immediately the treaty comes into effect. They reached a measure of agreement on the method of appointing the president and the executive council of the community, and accepted in principle the creation of a European Court. A committee of jurists will examine the whole problem posed by the creation of this institution. The Ministers agreed that the political community should include, in a way still to be determined, the European Coal and Steel Community (ECSC), and the European Defence Community (EDC) when it comes into existence. It was also decided to set up a commission to press forward with drafting the treaty to set up the political community. There is to be a further meeting of the Foreign Ministers in Paris on 30th March 1954, and the commission has been directed to prepare a report for consideration at this meeting.

Earlier Stages

The creation of a European Political Authority was envisaged in the European Defence Community Treaty.

Article 38 of this Treaty, which was signed on 27th May 1952 [see 29.5.52 1f(68)], but has not yet been ratified, provided that the Assembly to be set up in the organization of EDC should study the question of creating a European federal or confederal political authority. At a meeting of the Foreign Ministers of the six countries in September 1952, it was decided to entrust the Assembly of the European Coal and Steel Community (ECSC), enlarged by the addition of nine co-opted members, with the task of drawing up a draft treaty for the establishment of a European political authority.

The ECSC Assembly, at its first meeting on 15th September, accepted the task, and formed an *Ad Hoc* Assembly with three co-opted members each from the French, German and Italian delegations to the Council of Europe. A Constitutional Committee, appointed by the *Ad Hoc* Assembly to draft the text of a constitution for a European political community, submitted recommendations in an interim report to the *Ad Hoc* Assembly in January 1953 [see 12.2.53 2a(28)]. This report was adopted by the Assembly, and presented to the six Governments on 10th March. It has been discussed at meetings of the Foreign Ministers of the six countries in Paris on 12th to 13th May, and in Baden-Baden from 8th to 9th August, and by the six deputy Foreign Ministers in Rome from 22nd September to 9th October.

The Sudan

Election Results

The results of the elections for the first Sudanese Parliament to be constituted under the Self-Government Statute promulgated on 22nd March [see 26.3.53 2b(27)] were announced between 29th November and 12th December. Polling started on 2nd November. The results were:

HOUSE OF REPRESENTATIVES (97 seats)

Nationalist Unionist Party (NUP)	50	seats
Umma Party	22	"
Independents	12	"
Southern Party	7	"
Socialist Republican Party (SRP)	3	"
Southern Political Association	2	"
Anti-Colonization Front	1	"
	—	
	97	seats
	—	

Of these, 92 seats represent territorial constituencies and 5 the (postal) graduates' constituency.

SENATE (50 seats)

Nationalist Unionist Party (NUP)	20	seats
Umma Party	3	"
Independents	2	"
Southern Party	2	"
Results in suspense	3	"
	—	
	30	seats
	—	

The remaining 20 Senators will be nominated by the Governor-General of the Sudan at his discretion but subject to the approval of the Governor-General's Commission [see 12.2.53 2b(12)].

UK Statement on Future Developments

On 7th December, Mr. Selwyn Lloyd, UK Minister of State, made a statement in the House of Commons on the policy of the UK Government towards future constitutional developments in the Sudan.

Mr. Selwyn Lloyd recalled that, on 15th November 1951, Mr. Eden, UK Secretary of State for Foreign Affairs, had pledged Britain's fullest support to the steps then being taken to bring the Sudanese rapidly to the stage of self-government as a prelude to self-determination [see 16.11.51 2d p.9]. This was a reaffirmation of the UK Government's support 'for a policy which had already been pursued for some time and, indeed, was implicit in the whole history of the condominium administration in the Sudan'.

The hopes expressed then by Mr. Eden that a new constitution providing for self-government might be in operation by the end of 1952 had not been fulfilled 'because', said Mr. Selwyn Lloyd, 'in accordance with the wishes of the Sudanese political parties, Her Majesty's Government negotiated with the Egyptian Government an agreement which secured the abandonment of Egyptian claims to sovereignty over the Sudan, and an undertaking that Egypt would accept the decision of the Sudanese on their future status'.

When the new Sudanese Parliament had met, Mr. Selwyn Lloyd continued, and a Sudanese Government had taken office, the first stage of the policy reaffirmed in 1951 would have been reached.

'Her Majesty's Government's policy now is, therefore, to see that the new constitutional arrangements come into operation in as expeditious and orderly a manner as possible, and to assist the Sudanese Government in their progress towards the next stage—that of self-determination.

'I think, therefore, that this is an appropriate occasion for us to send our good wishes to the Sudanese people. From now on, it will be their Parliament and their Government which will have the chief responsibility for safeguarding the good government and institutions of their country; at the same time, they will have the task of preparing for self-determination.

'These would be heavy responsibilities even without external pressure. Experience has shown that there may well be strong and unremitting pressure from Egypt, where each successive régime has manifested a constant determination to control, directly or indirectly, the destinies of the Sudan. Britain, for her part, has no aim other than to see in the Sudan a sound Parliamentary system and arrangements under which the Sudanese will be able to choose for themselves their relations with other countries.'

Mr. Selwyn Lloyd, in conclusion, paid a tribute to 'the very good job of work' done by the Sudan Electoral Commission.

Persia

Anglo-Persian Diplomatic Relations Resumed

The United Kingdom and Persian Governments on 5th December announced their decision to resume diplomatic relations and exchange ambassadors without delay. The joint communiqué announcing this went on to state that the two Governments would 'thereafter proceed, at the earliest mutually agreed moment, to negotiate a settlement of the oil dispute which has recently clouded relations between them, and thus to complete the restoration of their traditional friendship. They are confident that, with goodwill, a solution can be reached which will take account of the national aspirations of the Persian people regarding the natural resources of their country and which, on the basis of justice and equity, will safeguard the honour and interest of both parties. Thus it is hoped that a real contribution will have been made to the welfare of the two peoples, and to the cause of peace and international co-operation'.

The communiqué was published simultaneously in Tehran and London.

The United Kingdom Foreign Office announced on 7th December the appointment of Mr. D. A. H. Wright as British Chargé d'Affaires (with the rank of Counsellor) in Tehran, pending the appointment of a British Ambassador.

Diplomatic relations between the United Kingdom and Persia were broken off on 22nd October 1952 by the former Persian Prime Minister, Dr. Musaddiq [see 30.10.52 1h(128)]. Since then, British interests in Persia have been represented by the Swiss Government. The present agreement to resume diplomatic relations is the outcome of a series of messages exchanged over recent weeks between the UK and Persian Governments through the good offices of the Swiss Legation in Tehran.

Korea and the United Nations

Discussion of Korean Item Postponed

The Political Committee of the UN General Assembly on 7th December adopted, by 55 votes in favour to nil against with 5 abstentions (the Soviet bloc), a resolution deferring consideration of the Korean items on the committee's agenda, and recessing the present session of the Assembly without fixing a date for reconvening. The President of the General Assembly, Mrs. Vijayalakshmi Pandit (India), will, however, be empowered to recall the Assembly with the concurrence of the majority of member States, either if she herself thinks that developments in Korea require it, or if one or more member States so request.

During the discussions on the resolution, the Indian representative, Mr. Krishna Menon, stated that the situation in Korea, although not catastrophic, was very grave. He called attention to the special difficulties that would face the Indian custodian force if the proposed Korean political conference did not meet before 22nd January, i.e. within 30 days after the conclusion of the period allotted for explanations to prisoners of war still in custody [see 11.6.51 2c(51)].

Negotiations for a Political Conference

There has been no noteworthy progress made by the meetings of representatives of both sides at Panmunjom, in their efforts to complete the preparations for a Korean political conference.

The main points now being put forward by each side at Panmunjom are as follows:

- (1) *Date*: The UN representative proposed 28 to 42 days after the closing of the Panmunjom talks; the Communist Commands have proposed 28th December.
- (2) *Place*: The United Nations have proposed a number of different localities for the conference, including Colombo, Mexico City, Rome, Stockholm and Geneva; the Communist Commands have proposed Panmunjom and New Delhi.
- (3) *Composition*: On 9th December, the UN representative proposed that 20 nations—the 16 nations with forces under the UN command, South Korea, North Korea, China and the USSR—should be listed as eligible to attend the conference without specifying on whose side they would be. Other nations 'with current experience in Korea' would be entitled to attend but not to vote. The USSR, whose territory borders on Korea, must be a full participant in the decisions of the conference and be bound by them.

The Communist Commands, on the other hand, proposed a conference of the two sides to the Korean Armistice Agreement, plus 5 'neutral' members—USSR, India, Pakistan, Burma and Indonesia—which would participate fully in the work of the conference but would not vote.

The main unresolved issue at the end of the first ten days in December was the status at the conference of the USSR.

Contributions to UNKRA

A resolution asking all governments to contribute generously and speedily to the UN Korean Reconstruction Agency, and urging all UN specialized agencies and non-governmental organizations to give it all possible assistance, was passed by the Economic and Financial (Second) Committee of the UN General Assembly on 2nd December by 33 votes to nil with 5 abstentions (Soviet bloc).

The resolution was sponsored by Argentina, Canada, France, the Philippine Republic, the United Kingdom and the United States, and supported a plea for funds which had been made on the previous day by Lt.-General John B. Coulton, Agent-General for Korean Reconstruction. In the past year, the Agent-General said, UNKRA had carried out a \$70 million programme. Under this programme, it had vaccinated 250,000 head of cattle; sent to Korea \$11 million worth of grain and \$9 million worth of fertilizer; provided 42 million seedlings for afforestation; bought 40,000 text books for schools and universities, and aided in the rehabilitation of the Korean coal-mining industry. But about \$1,000 million was still needed for reconstruction, and he therefore requested that the total of contributions which UNKRA was empowered to seek in order to meet urgent needs up to 1945, should be increased from \$250 million to \$266 million. Plans for the coming period included irrigation projects; boats, canneries and ice plants for fisheries; and construction or reconstruction of a number of factories. Only \$207.6 million out of the required \$266 million had been pledged so far, and only \$88.6 million had actually been paid.

Speaking to the resolution, Sir Clifford Norton (UK) said that the United Kingdom Government would fully honour its pledge of £10 million, but recommended that, in view of the political uncertainty of the future, UNKRA should concentrate chiefly on projects which could be completed soon.

Condemnation of Atrocities

On 3rd December the UN General Assembly adopted in plenary session, by 42 votes to 5 with 10 abstentions, a five-Power¹ resolution expressing 'grave concern' at reports that North Korean and Chinese Communist forces had 'employed inhuman practices against the heroic soldiers of forces under the United Nations Command in Korea and against the civilian population', and condemning the 'commission by any governments or authorities' of 'atrocious acts' against prisoners of war or against civilians.

Evidence of Atrocities

Before the discussion of the resolution was begun on 30th November, the US Government submitted to the Assembly a collection of sworn statements of US servicemen returned from captivity, as evidence of atrocities committed in Korea. These statements were described as only a small part of such evidence in the hands of the US military authorities. In the course of the discussion, the US delegate, Mr. Lodge, recalled many of the incidents referred to in the statements, and said that the total number of victims of the atrocities was thought to be 'a figure close to 38,000'. The incidents in Korea, said Mr. Lodge, 'fall generally into four types: first, the killing of prisoners of war at or near the scene of battle; second, the killing of Korean civilians for political reasons; third, long marches far behind the battle zone, in

¹Australia, France, Turkey, the United Kingdom and the United States.

which prisoners of war died from violent abuse, systematic neglect and outright killing; and fourth, the death of prisoners of war from the same causes in temporary or permanent prison camps'. The record of these atrocities indicated an abandonment of respect for the laws and standards of humane and civilized conduct and for 'the solemn covenants of Geneva to which all belligerents are bound in wars . . .', an abandonment that 'is not simply forgetfulness or inefficiency, nor is it the result of the personal cruelty of some individual prison commander . . .'. These atrocities, said Mr. Lodge, were 'for the most part deliberate'.

Soviet Statement

In his speech before the Assembly on 1st December, the Soviet delegate, M. Vyshinsky, declared that he found the speeches in support of the resolution 'cynical and hypocritical'. The material submitted as evidence was, he alleged, 'carefully edited', and had been given by hand-picked witnesses on leading questions in a way amounting to 'mere forgery'.

UK Statement

On 30th November, Sir Gladwyn Jebb, the permanent UK representative, made a speech in support of the resolution, in which he declared that the UK Government had no doubt about the truth of the charges submitted to the Assembly, but that it was the practices themselves, by whatever Government or authority they might be committed, that the Assembly was being asked to condemn.

According to the information available, Sir Gladwyn said, there appeared to be no doubt whatever that atrocities against United Nations troops and against Korean civilians had been committed on a large scale. It was proper that the Chinese and North Korean Governments should be made aware of the revulsion caused throughout the world by the reports of these atrocities and that they should be reminded of the obligations which they and all governments had towards prisoners of war and towards civilians.

Acceptance of the resolution would demonstrate that the United Nations was aware of its responsibility towards those who had fought under the United Nations flag, and would also bring home to all 'the vital necessity of avoiding war', which bred suffering and brutality and from which the 'sombre facts' brought to light in the debate had arisen. 'Peace', said Sir Gladwyn, 'is the constant and steadfast aim of the United Kingdom Government. We do not believe that it is impossible for us to live in peace with all our neighbours and we shall never cease to strive to make that faith a fact.'

Soviet Delegate's Statement on Soviet-German Pact of 1939

In the course of his statement on 1st December, M. Vyshinsky claimed that the documents giving evidence of atrocities committed in Korea had been produced by the US authorities in the desire to 'whitewash their own atrocities, comparable to those of Hitler'. Hitlerite aggression, he continued, had been possible only because of the same policy that was now being pursued by the Western Powers in Western Germany, and had the United States not subsidized heavy German industry, and had France and the United Kingdom not rejected collective security, the measures proposed by the Soviet Union against German aggression could have been taken to stop Hitler. The Soviet non-aggression pact with Hitler had, on the other hand, been a 'wise step' to gain time to intensify the Soviet defences made necessary by the procrastination of the Western Powers and by their behind-the-scenes negotiations with

Hitler. 'The British', M. Vyshinsky went on, 'were prepared to surrender Poland so that Hitler could gorge himself with that country.'

UK Delegate's Reply

Sir Gladwyn Jebb, replying on 2nd December to this part of M. Vyshinsky's speech, 'the connection of which with atrocities was not at once apparent', pointed out that 'to allege, indeed, that in 1939, our purpose was "to surrender Poland to Hitler" when, unprepared as we were, we actually went to war with Hitler rather than let him seize Poland unmolested, is on the face of it a statement so staggeringly untrue that even M. Vyshinsky cannot really believe it.'

Sir Gladwyn then went on to emphasize some further points arising from M. Vyshinsky's speech.

'First of all', he said, 'M. Vyshinsky says that the Soviet Union were trying, at the time of the Ribbentrop-Molotov Pact, to reach some understanding with us on how best to resist Hitler on a basis of equality. What this actually means, of course, is that they were trying to get us to agree that, in the event of war, the Soviet Union would be entitled to walk into the Baltic States and Poland, even if not asked to do so by the Balts and Poles. Rather than reach an agreement with us on lines which would have protected the independence of their neighbours, they were indeed prepared to reject our proffered aid and to make a deal with Hitler for the partition of Poland. By this means, they calculated that Hitler would be embroiled in the West only, and they could at any rate get half Poland. This duly happened. Even though it was at the expense of the wretched Poles, they got what they wanted—for the time being. But how anybody could really have thought that a policy of letting Hitler loose in the West, though it might result in saving a little time, could in the long run prevent him from attacking Russia, passes our imagination. How could such obviously shrewd people be so very ingenuous as well? For, after all, even they would perhaps in their hearts now admit that, had it not been for the Battle of Britain and the continued resistance of my country after the defeat of our armies on the Western Front, resulting in the destruction of a large part of the Nazi Air Force and the maintenance of many Nazi divisions in the West—to say nothing of the tremendous and successful efforts of the Royal Navy to keep open the supply routes to the USSR—European Russia would have been overwhelmed by the German Army in 1941 and what is now the Soviet Union would, in our day and for the most part, be under German domination.'

Indo-China

President Auriol on the French Union

Speaking at the conclusion of the annual meeting of the High Council of the French Union, held from 26th to 28th November, President Auriol defined the character of the Union. It was, he said, 'a great and fraternal community, consisting of France, with its oversea departments and territories, and the independent, sovereign and freely associated States with equal rights and duties, who are solemnly pledged to pool their resources and co-ordinate their efforts to develop their respective civilizations, increase their prosperity, and assure their security'.

The High Council of the French Union consists of representatives of France, Cambodia, Laos and Viet Nam, meeting annually under the presidency, *ex officio*, of the President of the French Republic.

French Statement on Negotiations for a Settlement

The French Council of Ministers, in a communiqué issued on 2nd December, defined its position in regard to statements on possible negotiations for a cease-fire and settlement in Viet Nam made recently by the Viet Minh leader, Ho Chi Minh [see below].

The communiqué recalled that the French Government had on two occasions made clear its views on a cessation of hostilities in the Indo-China area. In the most recent of these, M. Laniel, French Prime Minister, had declared that 'the aim which we pursue is not the unconditional surrender of the enemy and we should be prepared tomorrow to study, in agreement with the Associate States, any reasonable "cease-fire" proposals which he transmitted to us'.

The French Government therefore stated that it was now open to the Viet Minh to make known its views through an official channel. Any such proposal would be examined by France, in agreement with the Associate States, with the settled intention of taking all possible steps to establish a lasting peace, such as would guarantee the independence of the Associate States and the liberty and security of their citizens.

The statements by Ho Chi Minh, President of the Communist-controlled 'Democratic Republic of Viet Nam', referred to in the French Council of Ministers' communiqué, were made in reply to questions asked him by a Swedish newspaper correspondent at the end of November.

Ho Chi Minh stated that if the French Government wished to consider an armistice and 'to resolve the question of Viet Nam by negotiations', then the people and Government of the 'Democratic Republic' were ready to examine the French proposals. He said that there would be an armistice if the French Government suspended hostilities. 'The basis of such an armistice is that the French Government should really respect the independence of Viet Nam.' The initiative of a neutral nation wishing to see the war in Viet Nam ended would be welcomed. 'But the negotiation of an armistice is essentially the concern of the Government of France and of the Government of [the Democratic Republic of] Viet Nam.'

Mallaig Conference

Meeting of UK Representatives in South-East Asia

A conference of British representatives in South-East Asia was held at Mallaig, Singapore, from 3rd to 7th December. The conference was presided over by the Commissioner-General for the United Kingdom in South-East Asia, Mr. Malcolm MacDonald, and attended by the following: the High Commissioner for the Federation of Malaya; the Governors of Singapore, Hong Kong, and North Borneo; the Governor of Sarawak and High Commissioner for Brunei; the Commanders-in-Chief British Far Eastern naval, land and air forces; the UK Deputy High Commissioners in Australia, India and Pakistan; and the UK Ambassadors or Ministers to Burma, Cambodia, Indonesia, Japan, Laos, the Philippines, Thailand and Viet Nam.

Similar conferences were held at Bukit Serene, near Singapore, in 1951 [see 30.11.51 2a p.22] and 1952 [see 31.12.53 1e(13)] as part of the permanent machinery to co-ordinate policy in the area.

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The Bermuda Conference

UK Prime Minister's Report to Parliament

In the course of a debate on foreign affairs in the UK House of Commons on 17th December the Prime Minister, Sir Winston Churchill, made a statement on the Bermuda Conference [see 10.12.53 1a(96)]. Specific topics discussed at the Conference and dealt with by Sir Winston will be found in the section and page indicated in brackets as follows: Egypt [2b(84)]; Western defence and EDC [2a(268)]; Far Eastern and South-East Asian affairs [2c(118)]; Persia [2b(84)]; Trieste [2a(271)]; the four-Power meeting on Germany and Austria [1a(103)]; UK-US exchange of atomic information [2a(262)]; the US President's proposals for an international 'bank' of fissionable materials [1a(104)].

The Need for Secrecy in High-level International Talks

Sir Winston said that he had been 'very glad to bring about the conference at Bermuda, although it was largely my fault that it was delayed for six months'. He had felt it most important that he should have 'long, intimate, secret talks with President Eisenhower, with whom I have worked on terms of close and growing friendship for over 11 years, about a lot of things which are easily settled if Britain and the United States understand one another and are in accord. We had some good talks'. The first object had been to nourish Anglo-American friendship and co-operation, 'and that, I am sure, has been achieved'. It had also been a great pleasure to him and Mr. Eden 'to welcome our French friends and to meet M. Bidault again, and for me for the first time to make the acquaintance of M. Laniel'.

Apart from the formal meetings of the three Powers, the opportunity had been taken of holding informal, bilateral talks between the United States and France, the United Kingdom and France, and the United Kingdom and the United States.

With reference to his use of the word 'secret' in describing his talks with President Eisenhower, Sir Winston said that the tendency to keep the Press out of conferences between the heads of States or Governments was likely to increase with the march of time. Science, as well as presenting fearful problems, had rendered personal intercourse between responsible people easy and swift to an extent never known before. If such a meeting as had taken place in Bermuda could have taken place between Germany, Austria, France, Russia and the United Kingdom in 1914, he believed that the first world war might have been, if not prevented, at any rate delayed, 'even though any communiqué published at the end of the conference would very likely have been both cryptic and platitudinous'.

Now, Sir Winston went on, 'in every land the prime desire is for peace, not only in the hearts of the people, but I believe in the hearts, as it is certainly in the interests, of their Governments and rulers, and there will have to be many patient international conferences. The object of these will be to look at all we have in common as well as at our many differences. We must not expect too much of any of these conferences. We must cherish the hope of taking the nations out of the rut of machine-made haggling. Success will in all cases be measured by easement rather than by headlines.'

Four-Power Meeting

Soviet Request for Postponement

On 25th December similar Soviet replies were received by the three Western Powers to their Notes of 8th December, proposing a meeting of the four Powers in the former Allied Control Council building in Berlin on 4th January [see 10.12.53 1a(97)].

The Soviet Note to the United Kingdom reaffirmed the Soviet position 'set forth previously on the question of the convocation of a conference of Prime Ministers'; noted 'the agreement of the British Government to discuss the question of the convocation of a five-Power conference with the participation of the Chinese People's Republic'; and suggested that the meeting should take place on 25th January or later. The Note suggested that the question of the building should be decided by agreement among the representatives of the High Commissions of the four Powers in Berlin.

Identical Notes in reply to the Soviet Note were delivered by the three Western Powers to the Soviet Government on 1st January 1954. It was stated in the UK Note that, whilst regretting that the USSR had not accepted the proposed date of 4th January, the UK Government agreed to the date of 25th January suggested by the USSR. The UK Government also agreed that representatives of the High Commissioners should discuss the technical arrangements for the meeting, including the question of the building in which it should take place, although they continued to believe that the building formerly used by the Allied Control Authority offered all the necessary facilities.

In the course of his statement during the foreign affairs debate in the UK House of Commons on 17th December [see above], before the Soviet request for a postponement had been received, the Prime Minister, Sir Winston Churchill, referred to the proposed four-Power meeting. He said that he was glad that the USSR 'had at last accepted our invitation to meet us on the problems of Germany and Austria early in the New Year.' It was his hope that 'from the Berlin meeting there may emerge some means of providing the Russians with a sense of security arising from other facts than mere force'. Sir Winston said that at Bermuda he had emphasized the view which he had expressed on 11th May [see 14.5.53 1a(34)] that the Soviet Union was entitled to assurances against aggression after what she had suffered at Hitler's hands. He thought that he had been successful in impressing on his colleagues at Bermuda 'the justice and the advantage of such a course even though Russian strength is so vast'.

Later in the same debate the Secretary of State for Foreign Affairs, Mr. Eden, also said that 'in spite of the fact that we have all undertakings towards her under the United Nations Charter, and in spite of the continuance of the Soviet Treaty with us and other engagements', it might be that the USSR 'feels the need for further security assurance'. If so, said Mr. Eden, 'and if we are able to make some progress in our discussions in Berlin, then I think we shall be able to find some means of helping that situation'. He would attend the meeting in the hope that in making a serious and earnest attempt he would be met in the same spirit. If there was 'an opening anywhere to make progress we shall take it' and 'on any sign of willingness to meet us on any point we shall be ready to do our part'. Mr. Eden admitted that the auspices were not

entirely favourable, but declared that 'we shall go there in the New Year, if the Russians will meet us, not in a spirit of defeatism or scepticism, but in an earnest attempt to meet what at least all the peoples of the world desire—a lasting settlement of peace for Europe'.

Peaceful Use of Atomic Energy

UK and Soviet Comment on US Proposals

References to President Eisenhower's address to the UN General Assembly on 8th December [see 10.12.53 1a(98)], in which he proposed the setting up of an international atomic energy agency whose 'more important responsibility' would be the allocation of fissionable material 'to serve the peaceful pursuits of mankind', were made in the course of a foreign affairs debate in the UK House of Commons on 17th December [see 1a(102)] and in a Soviet Government statement of 21st December.

STATEMENT BY SIR WINSTON CHURCHILL

The UK Prime Minister, Sir Winston Churchill, said that he considered the President's speech 'one of the most important events in world history since the end of the war'. Whilst studying the President's proposals he had felt 'that we were in the process of what might prove to be a turning point in our destiny'. He fervently hoped that the Soviet Government would not ignore 'this beam of light through much darkness and confusion', but would 'advance with confidence to which their own strength entitled them, along a path which certainly leads in the direction of expanding the welfare and calming the fears of the masses of the people of all the world'.

Mr. Attlee, the Leader of the Opposition, expressed his agreement with Sir Winston 'in welcoming this new approach to the problem of atomic energy'.

SOVIET STATEMENT

On 21st December a statement concerning President Eisenhower's speech was handed to the US Ambassador in Moscow by the Soviet Foreign Minister, M. Molotov, in which it was stated that the USSR considered that the US suggestion, in proposing 'that only "some" small part of the existing stockpiles of atomic materials and of those to be created should be allocated for peaceful purposes . . . in no way ties the hands of the States which have the opportunity to produce hydrogen and atomic weapons . . . in no way restricts the possibility of using the atomic weapon itself'. If agreement between the States resulted in only a small part of the atomic materials being devoted to peaceful purposes, while the production of atomic weapons continued to be in no way restricted, such an agreement 'would in fact be giving direct sanction to the production of atomic weapons' and would 'play into the hands of aggressive forces'. The Soviet Government continued to insist 'that the most important problem which brooks no further delay, is the unconditional prohibition of atomic and hydrogen weapons as well as of other types of weapons of mass destruction, with the simultaneous establishment of the strictest international control over the enforcement of this ban'.

With reference to another part of President Eisenhower's speech in which he had suggested the holding of 'private or diplomatic talks'

[Over]

in accordance with a resolution of the UN General Assembly on 18th November [see 26.11.53 1c(32)], to seek 'an acceptable solution to the atomic armaments race', the Soviet Government expressed its readiness to take part in such talks. The USSR, however, would proceed from the assumption that in the course of these talks the Soviet proposals concerning the prohibition of atomic weapons would be examined.

Foreign Office Comment

Commenting on the Soviet statement, a UK Foreign Office spokesman said on 22nd December that whilst the expression of readiness to discuss the plan was 'obviously a welcome development', the USSR seemed bent on reiterating the unacceptable Soviet attitude on atomic disarmament generally, an attitude which in the past had precluded progress.

MR. EDEN ON 'PRIVATE' DISCUSSIONS

The UK Foreign Secretary, Mr. Eden, commented on the suggestion to hold these 'private' discussions in the course of his speech in the UK House of Commons on 17th December. The UK Government hoped, he said, that the Soviet Government would treat the proposals 'in the manner in which we know they were intended, as a serious effort to get out of the very dangerous position in which we now are'. He believed that if they were so received 'then there is a chance for statesmanship to cope with this terrible power, this terrifying power, which the more one learns about it the greater alarm one feels'. If the Soviet Government would come to these discussions, 'which have no pre-conditions of any sort or kind', to discuss the proposals under United Nations auspices, the UK Government would do everything in its power to bring about the success of the discussions.

Sale of US Surplus Foodstuffs *UK Purchases*

In the House of Commons on 18th December, the Economic Secretary to the Treasury, Mr. Maudling, gave further information on the negotiations for the purchase by the UK Government for sterling of surplus United States farm products under the provisions of Section 550 of the US Mutual Security Act 1953 [see 12.11.53 1a(91)]. He said that the programme of United Kingdom purchases which had been discussed involved a value of \$60 million (£21.4 million). So far, \$20 million worth of tobacco had been bought and \$5 million worth of prunes. Other commodities under consideration included fats and meat. One of the conditions laid down in Section 550 was that in no case would the normal marketing of the same products from the Commonwealth or elsewhere be affected. The sterling which the United States obtained as a result of the sales would be handed back to the United Kingdom 'as a contribution to the support of our defence effort, which they recognize as an outstanding defence effort in Western Europe'. There was a small additional sum of a few million dollars to cover the purchase of further commodities that might be made available, and it had been agreed that the sterling counterpart of this should be applied towards 'colonial development by us'. In fact, said Mr. Maudling, the arrangements constituted another form of United States aid and were 'another example of the enlightened, sensible and wise policy of the United States Administration in its dealings with Western Europe'.

Delimitation of Territorial Waters

Definition by UK Minister of State

The UK Minister of State, Mr. Selwyn Lloyd, made a statement in the UK House of Commons on 14th December on 'territorial waters round the coasts of the United Kingdom and oversea territories for which HM Government are responsible'. These territorial waters, he said, would continue to be delimited 'by a line drawn three miles from low-water mark or, in the case of bays and estuaries, from a closing line drawn at the first point where they narrow to ten miles in width'.

The UK Government did not believe that it should be inferred from the judgment of the International Court of Justice in the Anglo-Norwegian fisheries case on 18th December 1951 [see 24.1.52 1h(14)] that, as a matter of international law, a base-line drawn in the manner authorized by that judgment in that particular case would necessarily be applied to all or any other coasts. The UK Government considered that the true interests of all seafaring nations were best served by the greatest possible freedom to use the seas for all legitimate maritime activities, and that considerations arising out of the naval, mercantile and deep-sea fishery position of the United Kingdom, and of the other territories concerned, took precedence over the possible advantage to UK inshore fisheries of the drawing of base-lines such as those adopted along the coast of northern Norway. The UK Government viewed with concern the increasing encroachments on the high seas which had taken place in recent years in many parts of the world.

In answer to questions about the relevance of his statement to the fishing dispute between the United Kingdom and Iceland [see 28.5.53 2a(128)], Mr. Selwyn Lloyd repeated that the UK Government had refused to accept the view of the Icelandic Government in the matter, and said that it remained the view of the UK Government that such questions were best settled by bilateral international agreement rather than by an arbitrary extension of territorial waters.

Mr. Selwyn Lloyd concluded his statement by saying that the United Kingdom would continue to co-operate in securing the fullest possible measure of conservation of fisheries by means of international agreement through the commissions set up under the International Fisheries Convention [see 13.11.52 2d(54)].

Religious Persecution in Poland

Statement in UK House of Commons

On 18th December religious intolerance and persecution in Communist countries were discussed in the UK House of Commons. In the course of the debate the Joint Under-Secretary of State for Foreign Affairs, Mr. Dodds-Parker, made a statement in which he referred particularly to recent examples of religious persecution in Poland [see 15.10.53 1e(74)].

Today, nine years after the end of the second world war, Mr. Dodds-Parker said, there were 'more refugees, more oppressed people, more unhappiness and despair and more religious persecution than ever before in history in the Communist-controlled territories in the Far East and in East

and Central Europe'. The case of Cardinal Wyszynski, the Primate of Poland, was but one aspect of Christian and religious persecution going on throughout the Communist-dominated world, and 'we are suffering one of the greatest setbacks to religious toleration' ever experienced.

'Ever since the war', Mr. Dodds-Parker went on, 'there has been an attempt by the Polish Government to root out the Roman Catholic Church, and to obtain control of what is the last stronghold of Roman Catholicism behind the Iron Curtain, by the suppression of its publications, by attempts to suppress its traditional influence in educational institutions, by misusing the vexed question of the western territories, and by attempting to divorce the Church of Poland from the authority of the Papacy. The first five years of this attempt did not succeed so well as the Communists had hoped. In 1950, they made another agreement and, needless to say, it was not honoured. The Government have broken both the spirit and the letter of it. That led Cardinal Wyszynski to make the protest he did in the autumn of this year. After a month or so an attack was launched on the Bishop of Kielce, Monseigneur Kaczmarek, who has been arrested and tried. It was not until 26th September, following certain allegations, that Cardinal Wyszynski was arrested, but I have no information about what has happened to him

'The immediate objective of the Polish Government is, obviously, the severance of relations between the Vatican and the Roman Catholic hierarchy in Poland. It is some acknowledgment of the weakness of their campaign that they have to go to the extent of arresting and taking away the most popular and revered figure in Poland. The fact that they have done this without any reference to any authority in Poland shows the extent to which they are prepared to fly in the face of public opinion in that deeply religious country.' Ever since this new campaign started in the autumn attempts had been made by the Polish Government to set up a hierarchy subservient to it, and Mr. Dodds-Parker regretted that he had learned that, only the day before, the Polish hierarchy had taken the oath of allegiance to the Polish Republic. He did not think that there was any reason to believe that the hierarchy had gone outside the legitimate functions of a religious hierarchy and had opposed the legitimate functions of the Government. 'Do not let us', he said, 'underrate the significance of yesterday's action in a totalitarian régime.'

In conclusion, Mr. Dodds-Parker reaffirmed, 'in the strongest terms, the abhorrence of Her Majesty's Government of the persecution of religion'.

International Monetary Fund

Statement to Randall Commission

On 19th November 1953 Mr. Ivar Rooth, Managing Director and Chairman of the Board of Executive Directors of the International Monetary Fund, made a statement to the Randall Commission, which is now engaged in its review of United States foreign economic policy with a view to reporting in March 1954. Mr. Rooth dealt with the ways in which the Fund could help in solving payments and exchange problems, but emphasized that the key to its effective functioning was 'sound national policies in both deficit and surplus countries'. The main points from his statement are summarized below.

Use of Fund Resources

'The basic premise on which the Fund was established is that orderly exchange arrangements are necessary in a world increasingly dependent on international trade and investment', Mr. Rooth said. The Fund was entrusted by its members with a certain jurisdiction over their exchange practices. Members which continued exchange restrictions and discriminations—'a natural consequence of persistent payments difficulties, which still manifest themselves largely as a dollar problem'—had an obligation to consult with the Fund. During 1952 and 1953 the Fund had been almost constantly engaged in such consultations, which afforded the opportunity for a fruitful exchange of views on economic policies conducive to the relaxation of restrictions. The Fund also had resources equivalent to \$8.7 billion which it was authorized to use to help its members to meet temporary payments difficulties. In 1947 and 1948 the Fund sold \$675 million of currencies. From 1949 to 1951 sales totalled only about \$135 million because many members were receiving Marshall Aid and were advised to conserve their position in the Fund for future needs. In 1952 and 1953 the Fund had been operating on a larger scale, and sales and stand-by arrangements, whereby members can arrange in advance for specified drawings during a limited period, so far totalled \$290 million in these two years. In all, these transactions amounted to over \$1 billion, mainly in US dollars but also in sterling, German marks and Belgian francs. Of sales in 1953 of \$155 million, \$84 million had been in sterling. More than three-eighths of the sales had been repaid. 'Fund resources are intended to be a second line of reserves. Therefore, the basic problem in connection with their proper use is to get members to regard a drawing on the Fund in the same light as a transaction involving the use of their own monetary reserves. . . . For the Fund, the problem is to give members assurance that its resources will in fact be available for temporary use in helping to achieve the objectives of the Fund.' Procedures had been established to give this assurance, for example by organizing stand-by arrangements.

The Future Role of the Fund

For the future, the Fund had three tasks.

1. To help to restore international balance. 'The payments problem can be substantially solved if the members of the Fund pursue sound policies—that is, if the deficit countries apply policies that restrain excessive expenditure and costs, and the surplus countries policies that encourage high levels of production and international trade. . . . The Fund can be the advocate of sound policies and a persuasive force in securing their adoption.'
2. To help its members in establishing the convertibility of their currencies. 'The maintenance of general convertibility depends upon the restoration of international balance. That does not mean, of course, that all payments problems have to be solved before any currency can be made convertible. The convertibility of the leading currencies would be a powerful force inducing both the countries immediately concerned and others to put into effect, and to continue, the sound financial policies that are essential for a lasting solution of their payments problems. . . . When a country decides to establish convertibility, it must indeed be sure of its ability, even under pressure, to maintain convertibility. The domestic situation must be free of inflationary pressures, the payments position must be strong, the country must have accumulated reserves of its own. Assurance will probably also be needed of adequate financial support to meet the initial stress or subsequent unforeseen difficulties. Convertibility is an essential requirement for effective competition in international trade. It is the only way by which countries can sell freely in any market the goods that they produce most efficiently, and buy freely in any market at the lowest possible price the goods that they consume. Convertibility would also help to create conditions favourable to an expansion of international capital movements. The extension of convertibility is in the direct interest of

the countries immediately concerned. But it is also in the interest of the rest of the world, and in particular of the United States. As US foreign aid declines, some adjustments will be necessary in the US economy. These adjustments will be less difficult if other countries have the economic strength associated with convertibility. This is in turn dependent upon the possibilities open to them to earn dollars, which are linked with the freedom allowed to them to sell in US markets.' Progress was being made in establishing the basis for convertibility. The payments position of many countries had been strengthened and reserves were being accumulated. Practical steps were being taken to liberalize trade. 'For example, in the United Kingdom, private trade in raw materials and some foodstuffs has been restored. Several commodity markets have been reopened. Others will follow. Every such decision is a step toward convertibility.'

3. To minimize the international impact of business fluctuations. Mr. Rooth mentioned the considerable impact which a recession in a great trading country, such as the United States, could have on the payments position of other countries. 'If countries could use Fund resources to supplement their own reserves in maintaining a tolerable level of imports, the international effects of a recession could be moderated. . . . The Fund is fully aware of its responsibility for acting with determination to assist its members in lessening the balance of payments impact of any future depression. The Fund can operate with sufficient flexibility in a depression without changes in the Agreement.' As to the adequacy of its resources, Mr. Rooth said: 'The present resources of the Fund are enough to meet calls for temporary assistance under existing conditions. They are enough to permit even substantial stand-by arrangements for members planning to establish convertibility. However, the Fund's resources alone are probably not adequate if stand-by arrangements were necessary to support the introduction of convertibility by all the leading countries, and certainly not adequate for a serious recession. I believe that the Fund and its members would be well advised to agree beforehand on at least some temporary increase in its resources whenever necessary.'

The Dollar Payments Problem

Mr. Rooth concluded with comment on the persistent dollar payments problem. Economic progress meant that many countries now required a larger volume of goods from the United States than they were able to buy before the war. If necessary, the world could adjust itself to a smaller volume of US goods and, indeed, as US aid was reduced this adjustment would have to be made, unless earnings from exports to the United States and US investments were increased. 'A balance achieved by reduced imports of US goods will, however, mean a lower level of consumption and a smaller volume of investment for the world economy. The achievement of balance in the world economy by such means would be a threat to stability and order in international economic and political relations.' The constructive solution, beneficial both to the United States and the rest of the world, was to seek balance at a high level of world trade, through an expansion of exports to the United States and some expansion of US foreign investment. A strong pattern of international payments could then be established with convertible currencies and with a minimum of reliance on restrictions and discriminations.

'It is for these reasons that the Fund, in its last annual report, welcomed the appointment of this Commission. What you do will considerably influence the pace of further progress toward the establishment of a freely operating, multilateral payments system based on convertible currencies.'

For a summary of the Fund's report for the year 1952-53, see 17.9.53 1e(56). For the UK Government's views on the role of the Fund, see APPENDIX V to INTERNATIONAL SURVEY 1.10.53 (I. 1e).

International Materials Conference

End of Activities

The International Materials Conference (IMC) announced on 30th December that it was ending its activities as from 31st December 1953.

IMC was convened in February 1951 at the invitation of France, the United Kingdom and the United States, as sponsoring Governments, to deal with a shortage of certain raw materials which developed in the free world after the outbreak of hostilities in Korea [see 12.1.51 3b p.35 and 9.3.51 3b p.27]. During the period of its activity IMC was concerned with copper, zinc, lead, manganese, nickel, cobalt, sulphur, tungsten, wool, newsprint, wood pulp, cotton and cotton linters. A separate commodity committee was set up to consider and, where necessary, work out allocation schemes for each commodity or group of commodities. These committees have ended their activities as the supply position eased during 1952 and 1953, the last to do so being the one dealing with manganese, nickel and cobalt on 30th September 1953 [see 15.10.53 1e(75)]. A central group was responsible for convening the commodity committees and for providing a secretariat. It was made up of representatives of the Governments of Australia, Brazil, Canada, France, India, Italy, the United Kingdom and the United States, and of representatives of the Organization of American States and the Organization for European Economic Co-operation. The membership of commodity committees was made up of representatives of the countries which are the largest producers or consumers of the particular commodity.

The IMC announcement stated that activity was ending on the recommendation of its central group, which noted that IMC had accomplished its task of allocating materials in short supply. The central group recognized that the methods used in coping with the shortages had been effective and could serve as a guide in any future emergency shortage. It reported that representatives of all its members had indicated readiness to consult among themselves at the request of any member in the event of concern over threatened shortages.

United Nations Tin Conference

Draft International Tin Agreement

In accordance with arrangements made at the conclusion of the first session held in 1950 [see below], a second session of the United Nations Tin Conference convened by the Secretary-General of the United Nations took place in Geneva from 16th November to 9th December 1953.

The Conference was attended by representatives of: Australia, Belgium, the Belgian Congo and Ruanda Urundi, Bolivia, Brazil, Canada, Denmark, Ecuador, France, the German Federal Republic, India, Indonesia, Italy, Japan, the Lebanon, the Netherlands, Spain, Switzerland, Thailand, Turkey, the United Kingdom, the UK Dependent Territories and the United States. Observers were present from Hungary, Norway, Persia, Portugal, the Soviet Union, Sweden, and Yugoslavia. Representatives were also present from the International Labour Office, the United Nations Food and Agriculture Organization and the Interim Commission for an International Trade Organization.

Origin and Purpose

The Conference was called 'to discuss measures designed to meet the special difficulties which exist, or are expected to arise, concerning tin and, if considered desirable, to conclude an international commodity agreement'. In accordance with these terms of reference, the first session, which was held in Geneva from 25th October to 21st November 1950, considered certain key issues that would arise in framing an international commodity agreement to meet difficulties in connection with international trade in tin. The first session had before it a draft prepared by the International Tin Study Group¹ and some delegations tabled suggestions for an alternative text to the articles of that draft; no attempt was made at that stage to prepare the text of an agreement because it was found that measures then proposed required further examination by Governments.

International Tin Agreement

The second session of the Conference based its work on the draft of an international tin agreement prepared by a Committee of the International Tin Study Group which met in London in August 1953. After careful consideration of this draft and of the amendments submitted to it, representatives decided that the text of the International Tin Agreement of 1953 be submitted to Governments for their consideration. The agreement is to be open for signature from 1st March to 30th June 1954. Governments will signify their approval of it by signature and ratification through constitutional processes.

As soon as instruments of ratification or acceptance have been deposited by nine countries holding one-third of the total votes provided for consuming countries represented at the Conference, and by countries holding 90 per cent of the votes for producing countries represented at the Conference, a meeting will be held to decide the date the agreement will enter into force.

The agreement recognizes the importance of international trade in tin to many countries concerned either with production or consumption. It aims at preventing instability in international trade in tin by preventing burdensome surpluses developing and preventing the occurrence of shortages. The main proposal is for the establishment of a buffer stock. An International Tin Council will be established in London to administer the agreement and to supervise its operation.

¹Established in 1946, with headquarters at the Hague, Netherlands, on the recommendation of an International Tin Conference convened in London in October of that year by the UK Government, to keep the world tin position continuously under review.

UK Economic Situation

Report by OEEC

An analysis of the economic situation, problems and prospects of the United Kingdom has been made by the Organization for European Economic Co-operation (OEEC) and was released for publication on 29th December 1953. This analysis is one of a series of studies which the organization is making of its member countries and of the United States and Canada. The complete series will be published shortly in a single volume.

The report starts by recapitulating the conclusions of a similar study which was included in OEEC's fourth report [see 31.12.52 2b(67)]; it then traces developments since mid-1951 and estimates future prospects.

Recent Economic Developments

The study finds that the economic position of the United Kingdom has improved strikingly in the past two years. After two years of stagnation production is again rising and unemployment has decreased. Arrangements have been made to give the economy more elasticity. Last and most important, overseas receipts and payments are being brought into balance, whereas in 1951 the deficit on overseas account had assumed dangerous proportions.

Production and Consumption

Industrial production fell in the first nine months of 1952, but recovered in the fourth quarter, and for the year as a whole was at about the end of 1951 level. Production in 1953 will probably be about 4 or 5 per cent greater than in 1952 on the basis of the figures for the first nine months. The largest increases have been in textiles and clothing, while the increases in the engineering industries have been less marked except that production of vehicles, including locomotives and aircraft, has reached a record level. The recovery of economic activity has not been accompanied by an appreciable increase in wages and prices. Moreover saving has increased with production, the decrease in saving in the public sector as a result of fiscal concessions seeming to have been largely offset by an increase in private savings. Consumption at factor cost is likely in 1953 to be less than 65 per cent of the gross national product, compared with 68 per cent in 1950 and more in the preceding years. There has, however, been no large increase in fixed investment in industry.

The Balance of Payments

Thanks to direct and indirect measures, it has been possible not only to balance current overseas transactions but to add appreciably to the gold and dollar reserves of the sterling area. The temporary factors, which appear to have been the immediate causes of the balance of payments crises of 1951 and 1952, have now disappeared, and the prospects can be viewed with more confidence—especially as those changes in the terms of trade which are unfavourable to the United Kingdom, may, up to a point, bring compensating advantages to the rest of the sterling area.

It must however be noted that though the distribution of exports between the main monetary areas has changed and there has been a substantial increase in exports to the dollar area, the improvement in the

[Over]

overall balance of payments is the result, not of an increase in exports, but of the arrangements made to limit imports, and of such external factors as the improvements in the terms of trade, the adjustments made by other countries in the sterling area, the recovery in economic activity in the United States and Canada, and the liberalization policies pursued by the member countries of OEEC.

Government Policies

The improvement in gold and dollar reserves during 1952 made possible some relaxation of economic controls in the early months of 1953. In March the United Kingdom considerably reduced the import restrictions imposed in 1951 and extended in March 1952. The list of goods which could be freely imported from OEEC countries was widened until it comprised 58 per cent of private imports in 1948 instead of 44 per cent. At the end of October the UK Government announced that by the end of the year the liberalization percentage would be raised to 75 per cent and that tourist allowances would be raised to £50. These measures took effect in November [see 29.10.53 2a(230)].

The Government has taken other measures to give consumers greater freedom of choice and to let the price mechanism influence the use of resources. In the last twelve months, tea, eggs, sweets and sugar have been derationed, and the only rationed goods are now meat, fats and certain kinds of cheese. The Government has announced that this remaining rationing is to be ended during 1954.

When a product ceases to be rationed, the Government reduces or abolishes the subsidies on it. Price control has been lifted on a number of articles. At the beginning of 1953, the Government, which controls the prices charged by nationalized industries, authorized changes in the prices for different kinds of coal in order to adjust the price structure to demand.

In December 1952, the United Kingdom Government, after consultation with the Governments of other Commonwealth countries, announced that the re-establishment of the convertibility of the pound sterling should henceforward be considered to have a high priority. The Governments of Commonwealth countries have defined three conditions the fulfilment of which they consider indispensable to the achievement of convertibility:

1. The Commonwealth countries must avoid inflation and increase the production of exportable goods.
2. Other countries must adopt commercial policies which favour the expansion of world trade.
3. Sufficient reserves must be built up, either through the agency of the International Monetary Fund or by other means.

Private trade has been resumed in certain classes of goods: e.g. fertilizers, zinc, copper, raw cotton, cereals, plywood. Control over the use of soft wood has been abolished. Arbitrage facilities in certain Western European currencies have been restored [see 15.10.53 2a(226)].

The Economic Outlook

The report concludes that the basic problem for the United Kingdom is still to increase exports, particularly to countries outside the sterling area. Without such an increase, the United Kingdom is bound to incur recurrent deficits if it wishes at the same time to move towards convertibility, increase its production and productive investment at home, and allow necessary capital movements to the sterling area.

It is particularly difficult to develop exports if consumption takes too great a share of the national product, thus distracting resources from capital investment in the export industries. Fixed investment in industry will be stimulated by the provisions of the 1953-54 budget for the restoration of depreciation allowances and the abolition of the excess profits levy, but further encouragement may be necessary, including perhaps special measures to encourage investment in industries which can help to improve the balance of payments.

[For recent statements by the UK Chancellor of the Exchequer on trends in Britain's economy, see HOME AFFAIRS SURVEY 27.10.53 2a(84) and 24.11.53 2a(90), and also pp 1-2 of APPENDIX I to INTERNATIONAL SURVEY 26.11.53 (I. 1a)].

UK Payments to US and Canada

US and Canadian Lines of Credit and Lend-Lease

The third annual payments of the amounts due from the United Kingdom in respect of interest and principal on the United States and Canadian lines of credit, and on the net amount due to the United States in respect of Lend-Lease, fell due on 31st December 1953 and were made in full.

The US line of credit was made available under the UK-US Financial Agreement of 6th December 1945 [for text see UK White Paper, Cmd. 6708] and amounted to \$3,750 million. In the same agreement, the net amount due from the United Kingdom in respect of Lend-Lease was assessed at about \$600 million. The Canadian line of credit was made available under the UK-Canada Financial Agreement of 6th March 1946 [for text see UK White Paper, Cmd. 6904] and amounted to \$ Can 1,250 million, of which \$ Can 1,185 were used. Provision was made for repayment in 50 annual instalments representing interest at 2 per cent on capital outstanding plus repayment of principal.

The amounts involved in this third payment were as follows.

	<i>Interest</i>	<i>Principal</i>	<i>Total</i>
US Line of Credit ..	US \$73,209,000	US \$46,127,000	US \$119,336,000
US Lend-Lease Settlement ..	US \$11,739,000	US \$6,977,000	US \$18,716,000
Canadian Line of Credit ..	Can \$23,134,000	Can \$14,576,000	Can \$37,710,000
TOTAL STERLING EQUIVALENT (approx.) ..	£38,813,000	£24,305,000	£63,118,000

For the first annual payment, see 14.12.51 3c p.49; and for the second see 31.12.52 2e(63).

UK Token Import Scheme

Goods from the United States and Canada

It was announced by the UK Board of Trade on 29th December 1953 that the United Kingdom's Token Import Scheme for goods from the United States and Canada would continue in 1954. Quotas would remain at the same level as in 1953—30 per cent by value of each North American manufacturer's average United Kingdom trade in the period 1936–38 in the commodity in question. The only changes compared with the operation of the scheme in 1953 [see 15.1.53 2a(12)] are that the quota for fully-fashioned stockings may all be used for imports of nylon stockings, and that there will be no restriction on the proportion of lace-trimmed garments which may be imported under the apparel quotas.

The object of the scheme is to allow into the United Kingdom a strictly limited volume of manufactured goods in which there is a traditional trade, but which the United Kingdom has had to restrict because of shortage of dollars. The total value of goods imported under the scheme is about £3 million a year.

Atomic Energy

UK-US Co-operation

In the course of his speech opening the foreign affairs debate in the House of Commons on 17th December [see 1a(102)] the Prime Minister, Sir Winston Churchill, said that he and the President of the United States had asked Lord Cherwell, former Paymaster-General, and Admiral Strauss (US) 'to prepare a record of the history of Anglo-American co-operation in the atomic field since the subject first cropped up during the war. When this compilation is completed, the President and I will consult together about publication, of course guided by our Governments'.

For a statement on a recent arrangement for an extension of the exchange of atomic information between the United Kingdom and the United States, see 10.12.53 2a(253). Statements on the arrangements between the Governments of the United Kingdom, the United States, Canada, Australia and South Africa for the supply of fissile material and for the exchange of information on the civil applications of atomic energy between Commonwealth countries, will be found in COMMONWEALTH SURVEY 8.1.54 1e.

European Coal and Steel Community

Proposals for Closer Association by UK

According to a Foreign Office spokesman on 29th December 1953, the President of the High Authority of the European Coal and Steel Community, M. Monnet, 'has proposed' that steps should now be taken to bring about a closer association between the United Kingdom and the European Coal and Steel Community, and has offered certain suggestions as to how this could be done. As was made clear in August 1952, it is the policy of Her Majesty's Government to maintain an intimate and enduring association with this Community. In this spirit,

Her Majesty's Government have received M. Monnet's proposals with much interest and will give them the closest consideration.'

The statement of 11th August 1952, referred to above and issued by the Foreign Office, read as follows: 'Her Majesty's Government welcome the establishment yesterday of the High Authority of the European Coal and Steel Community, and were represented at the opening ceremony by Her Majesty's Minister in Luxembourg. Her Majesty's Government have on several occasions made clear their support of the purposes of this Community, and their intention to establish the closest possible association with it as soon as the High Authority is created.'

Subsequently, on 22nd August 1952, the UK Government appointed a permanent delegation at the seat of the Authority, led by Sir Cecil Weir, to enter into relations and transact business with it [see 21.8.52 2b(42)]. For the creation and development of the European Coal and Steel Community and UK association with it, see 18.9.52 2b(51), 13.11.52 2b(60), 27.11.52 2b(62), 12.2.53 2a(43) and 20.8.53 2a(181).

European Inland Transport

Conference of Ministers of Transport

A Protocol¹ organizing a European Conference of Ministers of Transport was drawn up at a meeting held in Brussels from 12th to 17th October [see 1.10.53 2a(217)]. The Protocol was signed by representatives of the Governments of the Federal Republic of Germany, France, Italy, Switzerland, and, subject to ratification, of the following countries or territories: Belgium, Denmark, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, the British-United States Zone of the Free Territory of Trieste, Turkey and the United Kingdom. It will remain open for signature until 1st May 1954 and will enter into force when six Governments have finally approved it, that is by signature without reservation as to ratification or by signature followed by ratification.

Purpose and Constitution

The purposes of the Conference are defined as follows:

- (1) 'to take whatever measures may be necessary to achieve, at general or regional level, the maximum use and most rational development of European inland transport of international importance;
- (2) 'to co-ordinate and promote the activities of international organizations concerned with European inland transport, taking into account the work of supranational authorities in this field.'

The members of the Conference will be the Contracting Parties to the Protocol, i.e. those European Governments which sign the Protocol and those which do not sign but later, with the approval of the Council of Ministers mentioned below, accede to it. There will be a Council of Ministers, composed of those Ministers who are responsible for inland transport in their own Governments, and a Committee of Deputies—one deputy for each Minister—which will prepare for Council meetings, deal with questions delegated to it by the Council, and report on measures taken in different countries to implement the conclusions reached within the Conference. The administrative seat of the Conference will be in

¹Protocol to co-ordinate and rationalize European Inland Transport of International Importance. Published as a White Paper (Cmd. 9024).

Paris and the secretariat will be administratively integrated with that of the Organization for European Economic Co-operation (OEEC). The OEEC will be asked to pay the salaries and expenses of the administrative secretariat and 'to provide whatever facilities may be required for the proper working of the Conference'. When a body of the Conference meets elsewhere than in Paris, the host country will pay all the expenses of the meeting except the salaries of the administrative secretariat. Member Governments which are not members of OEEC will contribute to the Conference's expenses under arrangements to be made by them with OEEC. All meetings of the Council and Committee may be attended by observers from associate members, who will be the Governments of the United States and Canada, if they so request, and any other Government after its application for associate membership has been approved by the Council.

Provision is made for establishing relations with any inter-governmental or non-governmental organization concerned with European inland transport. In particular, it is recognized that there should be close consultation with OEEC.

North Atlantic Treaty Organization

Ministerial Session of the Council in Paris

The North Atlantic Council held its twelfth ministerial session in Paris from 14th to 16th December under the chairmanship of M. Bidault, the French Foreign Minister. It was preceded by a joint session on 11th December of the NATO permanent delegates with the Military Committee of NATO, which consists of the chiefs-of-staff of the member countries. The Secretary-General, Lord Ismay, who had just returned from the Bermuda conference [see 10.12.53 1a(96)] which he had attended as NATO observer, gave a press conference on the eve of the opening of the ministerial session in which he pointed out that these ministerial meetings had changed their shape and purpose since the policy-forming meetings in Ottawa, Lisbon and Rome, and their main aim now was to take stock of the position and give an opportunity for Ministers to exchange views.

On the agenda for the meetings were the Secretary-General's report, a consideration of the international situation, the military progress report and estimates of military risks both prepared by the Military Committee of NATO, reports of the NATO commanders, the 1953 annual review and plans for 1954. At the conclusion of the session a communiqué was issued, the text of which is given below.

The Council reaffirmed that the policy of NATO was to seek solutions by peaceful means and warmly endorsed President Eisenhower's proposals on the use of atomic energy for peaceful purposes and the solution of the problem of atomic armaments, as well as the efforts of the three Western Powers to bring about a conference with the USSR. At the same time they stressed that the threat to the Western world remained, and that the Atlantic Community must be prepared to keep in being over a period of years forces at an adequate level of readiness equipped with modern weapons of the latest types, while maintaining and strengthening their economic and social structures. It was noted with satisfaction that the US Congress was to be asked to provide information on nuclear weapons to NATO commanders for planning purposes. The institution of the European Defence Community, including a German contribution,

within the continuously developing framework of the Atlantic Community remained an essential objective for the reinforcement of NATO.

Reviewing the progress in the NATO defence effort the communique recorded notable advances in the effectiveness of the forces. The Military Committee would continue its reassessment of the most effective pattern of military forces in the long-term defence system now envisaged for NATO. Progress was noted in the co-ordination of national planning in a number of fields, in the preparation of correlated production programmes and in the implementation of the common infrastructure programmes. The communique concluded by affirming the sense of unity among the members of NATO and their continuing recognition that the Atlantic alliance was 'not solely military in character'.

TEXT OF THE FINAL COMMUNIQUE

'The North Atlantic Council, meeting in Paris in ministerial session under the Chairmanship of the French Foreign Minister, M. Georges Bidault, completed its work today.'

The International Situation

'The Council examined the international situation and views were exchanged on matters of common concern, including Soviet policy. The Council concluded that there had been no evidence of any change in ultimate Soviet objectives and that it remained a principal Soviet aim to bring about the disintegration of the Atlantic Alliance. While the Soviet Government had yet to show that it genuinely desired to reach agreement on any of the outstanding points of difference throughout the world, the policy of NATO is to seek solutions to problems by peaceful means. The Council therefore welcomed the steps taken by the Governments of France, the United Kingdom and the United States in their recent exchanges of Notes with the Soviet Government to bring about an early meeting of the four Foreign Ministers in Berlin. The Council also warmly endorsed the initiative taken by the President of the United States in placing before the United Nations proposals for developing and expediting the peaceful use of atomic energy, and bringing together the Powers principally involved in order to seek a solution to the problem of atomic armaments.'

NATO Policy

'The Council reaffirmed its conviction that peace and security must be the paramount aim of the North Atlantic Treaty Organization. It recognized that the increasing strength and unity of the North Atlantic Powers, which must be steadily reinforced, had proved to be decisive factors in maintaining peace and preventing aggression. Nevertheless, the threat to the Western world remains and member countries must be ready to face a continuance of this threat over a long period. The Atlantic Community must therefore be prepared to keep in being over a period of years forces and weapons which will be a major factor in deterring aggression and in contributing to the effective security of the NATO area, and which member countries can afford, while at the same time maintaining and strengthening their economic and social structures. Improvements must continually be sought in the quality of NATO forces to ensure that they have equipment which is always up to date, so that, in the event of attack, they can act as a shield behind which the full strength of the member countries can be rapidly mobilized.'

NATO and EDC

'Within the continuously developing framework of the Atlantic Community the institution of the European Defence Community including a German contribution, remains an essential objective for the reinforcement of the defensive strength of the Alliance.'

NATO Defence Progress and Planning

'The Council considered the *Report on the Annual Review for 1953* which records the progress in the NATO defence effort, particularly during the past year. At its meeting in December 1952, the Council laid emphasis on the development of the effectiveness of the forces. In this respect notable progress has been made. Large quantities of new equipment have been provided to the forces. This has enabled, in particular, many new support units to be built up. The goals established for the current year have been completely met for the land forces and to a substantial extent for the naval and air forces.'

'On the basis of recommendations made in the Report, the Council adopted firm force goals for 1954, provisional goals for 1955, and planning goals for 1956. The force goals agreed upon for 1954 envisage some increase in the numerical strength of existing NATO forces and a very substantial improvement in their quality and effectiveness.'

'It was agreed that special attention should be given to the continuing provision of modern weapons of the latest types to support the NATO defence system.'

'The Council noted with satisfaction the intention of the President of the United States of America to ask Congress for authority to provide information on nuclear weapons to NATO commanders for purposes of NATO military planning.'

A Long-term Defence System

'The Council recognized that a long-term defence system as now envisaged raises important military and financial problems. With respect to the military problems the Council invited the Military Committee to continue its reassessment of the most effective pattern of military forces for this long term, both active and reserve, due regard being paid to the results of studies of the effect of new weapons. The Council will be kept informed of the progress of this work and a report will be submitted to it in due course. The Council will also keep under review the very considerable financial effort still required to continue the present build-up, to maintain NATO forces at an adequate level of readiness and to replace obsolescent weapons.'

Command and Secretariat Reports

'The Council heard statements by Admiral Sir John Edelsten, Commander-in-Chief Channel, Admiral L. D. McCormick, Supreme Allied Commander Atlantic, and General Alfred M. Gruenther, Supreme Allied Commander Europe, on the work achieved in their commands and took note of a progress report by the Military Committee.'

'In the course of its review the Council considered the Secretary-General's report and welcomed the progress recorded since the last ministerial meeting in April. It emphasized the importance of the work being done to co-ordinate national planning in such matters as civil defence, the war-time control and distribution of commodities and of shipping and other means of transport. Agreement was expressed with Lord Ismay's view that the preparations by member Governments

in these fields should parallel the progress already achieved in the military field. The Council took note that the problem of manpower had been kept under review and that several recommendations to Governments had been approved. Progress which had been achieved this year in preparing correlated production programmes was welcomed. These programmes cover production, for several years ahead, of important ranges of military equipment. The Council expressed satisfaction with the Secretary-General's report on the implementation of the common infrastructure programmes. Besides a large number of projects now under construction, no less than 120 airfields and a large network of signals communications facilities are in use by NATO forces.'

Non-military Discussions

'Ministers took the opportunity to meet together in restricted session and discussed informally matters of interest to all the member Governments. They intend at future meetings to continue this procedure, which developed naturally from the sense of unity in the alliance. They are continually mindful of the political links which bind them in an alliance which is not solely military in character.'

United Kingdom Attitude to Political Development

Mr. Nutting, UK Joint Under-Secretary of State for Foreign Affairs, in reply to a written question in the House of Commons on 15th December [Hansard, Commons, 15.12.53 Col. 42], said that the United Kingdom Government was supporting the efforts which the North Atlantic Treaty Organization was now making to find ways of bringing Members of Parliament in the fourteen countries into closer touch with its work. But the Government did not feel that the time was ripe for the establishment of an Atlantic Consultative Assembly.

Five NATO Countries Adopt Standard Cartridge

The Standing Group of NATO announced on 15th December that five of the fourteen NATO nations were now prepared to adopt, as standard small-arms ammunition, the new light-weight 7.62 mm. (.30 calibre) cartridge. This decision was reached by Belgium, Canada, France, the United Kingdom and the United States as the result of extensive tests in close co-operation among the five countries. These tests showed conclusively that there was no significant difference in the performance of 7 mm. (.280 calibre) and 7.62 mm. (.30 calibre) rounds which were tested. The decision to adopt the 7.62 mm. round, the Standing Group stated, was based primarily on the 'overall problem of re-tooling requirements and weapons production facilities in each country concerned'. Since the adoption of either the 7.62 mm. or the 7 mm. cartridge would necessitate re-tooling by Canada and the United Kingdom, and the adoption of the 7 mm. cartridge would require re-tooling by all five countries, it was agreed that the most advanced 7.62 mm. ammunition should be adopted as standard.

The North Atlantic Council at its Ministerial session in Paris on 15th December, approved the recommendation that this new ammunition be adopted as standard for NATO use. The five nations who co-operated in the solution of this problem have jointly invited any other NATO nation to adopt it.

It was stated by the UK War Office that the production of light-weight automatic rifles for use in troop trials of the new ammunition would begin relatively soon. Production of present standard small-arms ammunition would, however, continue in view of the large stocks of existing rifles in the hands of friendly nations as well as of the agreeing countries.

Conferences on Exercise 'Mariner'

The analysis of the large-scale NATO exercise *Mariner*, in which the sea and air forces of nine NATO countries took part in September and October [see 15.10.53 2a(222)], was completed at a conference held at Greenwich Royal Naval College, London, in December. Two previous conferences had been held, one at the headquarters of the Supreme Allied Commander Atlantic (SACLANT) in Norfolk, Virginia, and one at the headquarters of the Supreme Allied Commander Europe (SACEUR) near Paris. The conference at Greenwich was sponsored by the NATO Allied Commander-in-Chief Channel, the Air Commander-in-Chief Eastern Atlantic and the Commander-in-Chief Eastern Atlantic, and was attended by NATO commanders and their staff of the Channel and Eastern Atlantic Commands, including British, French, Netherlands and Belgian officers, and by senior representatives of the armed forces of the NATO countries, totalling in all more than 350. The complete analysis of exercise *Mariner* has now been published as a confidential book.

The lessons learned were not only in strategy and tactics, but also in the relative efficiency of certain types of US and UK vessels. UK naval tankers, for example, revealed a low pumping rate compared with US naval tankers and were difficult to operate in bad weather, while US warships, designed for the Pacific, revealed poor seakeeping qualities in the Atlantic compared with their British counterparts. These weaknesses are now receiving close attention in both countries.

Broadcast by Lord Tweedsmuir

The text of a broadcast given in the BBC Home Service by Lord Tweedsmuir on 1st December on 'The Problem of Western Defence' will be found in an appendix to this issue of *International Survey*.

NATO and EDC

Statements by Sir Winston Churchill and Mr. Eden

On 17th December in the course of a debate on foreign affairs in the UK House of Commons [see 1a(102)], Sir Winston Churchill, the Prime Minister, and Mr. Eden, Secretary of State for Foreign Affairs, spoke of the importance of the European Defence Community in the framework of the defence policy and plans of the Atlantic Community. Mr. Eden emphasized the continuity of United Kingdom foreign policy, and both Ministers stressed the difficulties of any alternative to EDC as a solution to the problem of enabling Germany to make a military contribution to the safety of Europe.

Continuity of United Kingdom Foreign Policy

Mr. Eden, who had gone on from the Bermuda Conference [see 10.12.53 1a(96)] to the ministerial session of the North Atlantic Council in Paris,

referred to the further meetings he had had in Paris with the Foreign Secretaries and with Dr. Adenauer, Chancellor of the German Federal Republic. The widest conclusion that he had derived from all these talks, and from his experience since he had returned to office as Secretary of State for Foreign Affairs, was that the policy that the United Kingdom had been following broadly over these last years was substantially right and did not need to be changed. 'All our allies and friends', he said, 'are agreed upon that'. It was a policy which, by and large, had been inherited from the late Mr. Ernest Bevin [UK Secretary of State for Foreign Affairs under the Labour Government from 1945-51], and Mr. Eden emphasized the importance of continuity in British foreign policy. 'Broadly, our aim has been twofold', he said, 'and it still is. It is to build up a deterrent to aggression and to establish a position of strength from which we can negotiate at least an easement of tension and, if possible, a settlement of disputes with the Soviet Union.'

NATO and EDC

The North Atlantic Treaty Organization, Mr. Eden continued, was the most important chapter in the story of this policy. It was a remarkably successful international experiment which was now an effective working organization filling a real international need. Four men, he said, came to his mind for that achievement: General Eisenhower, as he then was; Lord Montgomery, who had worked from the very beginning in NATO, willingly accepting a subordinate capacity; General Gruenthal; and Lord Ismay who, on the political side, had worked a remarkable improvement of the whole of the arrangements within NATO. Within NATO, he went on, it was intended, and was still the hope of the United Kingdom Government, that EDC should work. EDC had in itself many safeguards and restrictions that its members voluntarily entered into. It had a common programme for armaments and for the control of the armaments industry, including control of exports and imports of raw materials and atomic production. 'The cumulative effect of this', he said, 'is to hobble national adventure and encourage international co-operation.'

EDC and the Berlin Conference

In reply to an argument that 'we should not proceed with these arrangements when Russia is at last showing, or shall we say may be showing, signs of willingness to meet us round the council chamber,' Mr. Eden said: 'Russia has long since completed much more rigid and complicated alliances in the East with her own satellites when she re-armed long ago, in defiance of her own treaty obligations, and she has long since armed the East Germans and built up a formidable military force.'

Difficulties of Alternatives to EDC

Both Sir Winston Churchill and Mr. Eden spoke with sympathy of the difficult decision facing France. Sir Winston said, however, that at Bermuda he learned that if EDC were not ratified without undue delay by the French, the alternative solution of a wider NATO including Germany, to which he had looked in this deplorable contingency, 'was likely to be beset by many difficulties, possibly by even fatal difficulties'.

There were many in the United States, Sir Winston continued, who shared Dr. Adenauer's objections to the creation of a German national army. President Eisenhower attached the utmost importance to the formation of a European army on the lines worked out after so much discussion and delay, and to which he had given such important personal service. 'It was evident', said Sir Winston, 'that the question of what

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might happen if EDC were not accepted by the French had become for the time being unanswerable'. Germany must make her military contribution to the safety of Europe. A robust and valiant people of 60 million could not be expected to rest unarmed and defenceless in an unstable Europe for an indefinite period of time. These facts had got to be faced. All that, he went on, had now been discussed in Paris. [The communiqué issued at the end of the North Atlantic Treaty Council ministerial session in Paris, which is carried in full above, included a statement on EDC.]

Sir Winston then referred to the statement on the US position by Mr. Foster Dulles, US Secretary of State¹, at the North Atlantic Treaty Council meeting in Paris. 'The phrase used by Mr. Foster Dulles about the situation possibly having to be "agonizingly reappraised" seemed to me most formidable' said Sir Winston. When the safety of France, indeed of Europe, depended on the policy of the United States, all the possible consequences of abandoning EDC should be placed squarely before the French people. It was of vital importance.

Sir Winston concluded this part of his speech with a tribute to the efforts of M. Laniel, the French Prime Minister, and M. Bidault, the Foreign Secretary, both of whom were ardent patriots who had fought in the Resistance and both of whom had argued the case for EDC in the French Chamber. It might well be difficult, he said, for the French Chamber, divided into so many parties, to come to any decision in favour of the policy which was so largely their own idea and in the hopes of which the wider security of Western Europe has been delayed for over three years, but he was 'still hopeful of a favourable solution of our difficulties'.

United Kingdom Support

Sir Winston stated that he had made it clear at Bermuda that the United Kingdom would keep their troops on the Continent of Europe at least as long as the American troops were kept there.

Mr. Eden in his speech winding up the debate made a further statement on the United Kingdom position. The United Kingdom Government, he said, had given a number of specific guarantees in treaty form to France [see 12.2.53 2a(41)]. They were now considering further arrangements which would take the form of a new protocol, which was being negotiated with the six countries who had signed the EDC treaty, and the United Kingdom Government was anxious to help to any extent that they could. Among the supporters of EDC, he added, were the small countries of Europe, even those who were not members, for instance the Scandinavian countries, because they believed that that was the only method by which the problem could be settled.

¹According to press reports Mr. Dulles said at the North Atlantic Treaty Council session on 14th December, and afterwards repeated at a press conference, that if ratification of EDC were not forthcoming soon the United States would be compelled to make an agonizing re-appraisal of its own basic policies.

Trieste

Statement by UK Prime Minister

In the course of a statement made during a debate on foreign affairs in the UK House of Commons on 17th December [see 1a(102)] the Prime Minister, Sir Winston Churchill, referred briefly to the Trieste question which had been examined at the Bermuda Conference.

Sir Winston welcomed the steps which the Italian and Yugoslav Governments had taken to bring the situation on their common frontier back to normal [see 10.12.53 2a(254)]. 'This we regard as a happy augury for the success of the efforts which the Foreign Secretary, in close collaboration with the American Secretary of State and the French Foreign Minister, has devoted to solving this stubborn problem. I have no doubt that, given time and good will, he and his distinguished colleagues will succeed in their task.'

'For what is our interest in this quarter?' Sir Winston went on. 'It is simply to withdraw our troops in conditions which will consolidate the forces of peace in that area and enable us to co-operate still more closely with our two friends whom this problem divides. We offered a solution which we thought both would accept. We are striving now to bring them to the conference table on mutually acceptable terms. It is our hope, and I think I might go so far as to say our expectation . . . that they may find a way of reconciling their national interests with the requirements of international peace.'

Security Council Postpones Consideration

At its meeting on 14th December the UN Security Council approved, by 8 votes to one (the USSR) with one abstention (the Lebanon), a United States request to postpone consideration of the Trieste question pending the outcome of 'current efforts to find a solution' to the problem.

In his statement suggesting postponement the US delegate, Mr. Wadsworth, declared that there had been a further 'decrease in the tension which has at times characterized the relations' in Trieste, and that no useful purpose would be served by a further consideration of the question at that time. The Soviet delegate, M. Vyshinsky, described the motion for an indefinite postponement of discussion of the Trieste item as an 'overt and glaring abandonment' of obligations assumed under the Italian peace treaty, and said that the current negotiations referred to by Mr. Wadsworth were 'illegal'.

For earlier Security Council discussion of the Trieste item and a summary of developments in the area, see 29.10.53 2a(228).

Background on the Trieste problem will be found in R.2683 of 10.10.53, THE QUESTION OF TRIESTE (I. 2a).

UK-French Visa Abolition

Application to Certain Oversea Territories

By an exchange of Notes¹ on 28th August and 1st September, between the Governments of France and the United Kingdom, agreement was reached on the extension to certain British oversea territories and French Oversea Departments of the agreement of December 1946² on reciprocal abolition of visas. The 1946 agreement applied only to travel in the United Kingdom and in metropolitan France and Algeria. Under the new agreement the visa requirement is abolished for British subjects travelling to the French Oversea Departments of Guiana, Guadeloupe, Martinique and Réunion, and for French citizens travelling to the British oversea territories of Barbados, British Guiana, British Honduras, Jamaica, the Leeward Islands, Trinidad and the Windward Islands.

¹Issued as a White Paper. (Cmd. 8960.)

²Issued as a White Paper. (Cmd. 7003.)

Anglo-Persian Relations

Statements by Sir Winston Churchill and Mr. Eden

In the course of a debate on foreign affairs in the UK House of Commons on 17th December [see 1a(102)] the Prime Minister, Sir Winston Churchill, and the Foreign Secretary, Mr. Eden, expressed the pleasure of the United Kingdom Government at the resumption of diplomatic relations with Persia [see 10.12.53 2b(83)].

'Old friends like Britain and Persia', said Sir Winston, 'sometimes have estrangements, but it is not right that these should continue for longer than need be.' He went on to pay tribute to Mr. Eden for his perseverance 'which, together with good will in Tehran, has ended the breach which has wasted so much Persian and British wealth' [Hansard, Commons, 17.12.53, Col. 585].

Mr. Eden said that the United Kingdom Government hoped that the resumption of relations would strengthen ties between the two countries, and 'will shortly lead to a settlement satisfactory to both of us of all our common problems. The Persian Government may be sure that we approach these problems in a spirit of good will. We are following with very real interest and sympathy General Zahedi's Government's efforts to restore Persia's prosperity and bring happiness to his people.'

Mr. Eden expressed thanks to the Swiss Government 'who looked after our relations during that unhappy period', and also to the US Ambassador in Tehran 'who played a most selfless and helpful role in bringing about an improvement in relations' [Hansard, Commons, 17.12.53, Col. 696].

Anglo-Egyptian Relations

UK Statements in Commons Debate

In the course of a statement made during a debate on foreign affairs in the UK House of Commons on 17th December [see 1a (102)], Sir Winston Churchill and Mr. Eden made short statements on the subject of Anglo-Egyptian negotiations for an agreement in principle to replace the 1936 Treaty [Hansard, Commons, 17.12.53 cols. 579 and 690].

SIR WINSTON CHURCHILL'S STATEMENT

The Prime Minister did not feel any sense of hurry in the matter. When he had last spoken on foreign affairs on 11th May [see 14.5.53 1a(33) and 2b(40)], the Egyptians had broken off the formal negotiations and 'were indulging in a cataract of most offensive threats'. On that occasion he had said: "Naturally we do not wish to keep indefinitely 80,000 men at a cost of, it might be, over £50 million a year discharging a duty which has largely fallen upon us and us alone of safeguarding the interests of the free nations in the Middle East, and also of preserving the international waterway of the Suez Canal." He had added: "Our hope is that negotiations will be resumed. In the meantime we may await the development of events with the composure which follows from the combination of patience with strength". 'That is what we have done', Sir Winston said. Since then informal discussions had been

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resumed, but he had made it clear at Bermuda that there was no prospect of any modification of the UK position. 'There has been this flood of insults and boasting and a constant stream of minor outrages; otherwise no change has taken place. We remain convinced, however, that it is in our interests, military and financial, to procure a replacement of our forces in North Africa and the Middle East.'

MR. EDEN'S STATEMENT

Speaking of the present informal discussions, Mr. Eden said that they were attempting to settle the heads of an agreement in principle to replace the Treaty of 1936. He was reluctant to discuss details of the negotiations while they were in progress, because 'if one is not very careful it gives the Power with which one is negotiating both an advantage and a grievance'. It was well known, however, that there were at present two major points outstanding: 'one concerns the availability of the base in time of need, and the other uniforms'. The United Kingdom Government had made their position on these questions clear to the Egyptian Government some weeks back, 'and that position stands'. It might be that no understanding would be reached. This would, in his opinion, be a misfortune since an Anglo-Egyptian treaty 'can be a real advantage for both our countries and for peace in the Middle East'.

Advantages of an Agreement to Britain and Egypt

The advantage to Britain would be the opportunity to redeploy its fighting forces for the discharge of its responsibilities for defending the Middle East, 'in a manner more in accord with the strategic needs and conditions of the times'. In this connection must be borne in mind the change in the situation 'since NATO came into the Eastern Mediterranean'. Greece and Turkey were now both members of NATO, 'and the function of Turkey is decisive in this Near Eastern theatre; they are now the southern buttress of NATO's defence'. If Britain's hands were entirely free, 'the position of Greece and Turkey would play a dominant part in the disposition of our forces'. But because of the problem of the Suez Canal base 'some of which, at any rate, is physically immovable', Britain was not free. 'Our concern with this base, like our concern for the Canal—and let me add that one does not defend that merely by sitting on it—is not a selfish or an old-fashioned imperialist interest. It is a responsibility which we have to discharge effectively in relation to the modern needs of Middle Eastern defence.' There was also a hope for 'some financial easement'.

For Egypt agreement could mean the end of a period of confusion and strain 'and, maybe, if the Egyptians desired it, a resumption of relations such as those we had after the 1936 Treaty. Economic advantages for Egypt might also flow from this. For the Middle East as a whole this could open a new era. It could be a decisive step towards increased co-operation and general security.'

Attempts to Achieve a Reasonable Settlement

Therefore, Mr. Eden added, 'we do not intend to abandon our responsibilities in the Middle East'. If no agreement could be reached, 'we shall have to reconsider our whole position in the light of our needs, our interests and our obligations. . . . We shall face that situation resolutely if it arises, but our firm policy is first to see if it is possible to achieve a reasonable settlement. That, no more and no less, is what we are trying to do at present.'

The Sudan

Mr. Eden on the Elections

In the course of a statement during the debate on foreign affairs in the UK House of Commons on 17th December [see 1a(102)] Mr. Eden spoke of the result of the elections in the Sudan [see 10.12.53 2b(82)].

'We have kept our word to the Sudanese', Mr. Eden said, 'to bring them rapidly to the stage of self-government as a prelude to self-determination.' The United Kingdom Government had abstained from interference in any way in the Sudanese elections, 'and we have done our best to see that they should be free and impartial elections'. There were other stages to come before the Sudanese could decide their future. 'Our whole purpose is still to see that they should have a free choice, and that purpose stands, independent of the question of the agreement on the Canal Zone.'

He did not accept suggestions that British prestige had suffered as a result of the elections. 'It has to be realized that there are new forces of nationalism stirring in the world today and they are as strong in Arab countries as they are anywhere else. Her Majesty's Government do not believe that it is a wise policy to try to suppress these movements or to hold them back by force of arms.' He had noticed an article in a Turkish newspaper praising the United Kingdom Government for British honesty and impartiality in the elections. 'This is exactly what we want to ensure in all the countries where we have special responsibilities for stewardship. I think that in all these countries our record is a proud one.' There were other examples besides this, such as Iraq 'to whom we gave freely and by agreement her now complete independence which she has long enjoyed'. There was also Libya, 'a country to whom we offered independence in the war, who has now attained her independence. . . . Those are in complete accord with the tradition which we have tried to observe' [Hansard, Commons, 17.12.53 Cols. 694-96].

Palestine Refugees

UNRWA to Continue until June 1955

On 27th December the UN General Assembly decided by 52 votes to nil with five abstentions (the Soviet bloc), to extend the life of the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) until mid-1955 (i.e. for one year), and approved funds for its continued operations. The resolution was adopted on the recommendation of the *ad hoc* Political Committee in which it had been sponsored by France, Turkey, the United Kingdom and the United States. Besides extending the life of the agency it provided for a further review of its programme at the ninth session of the General Assembly; authorized a relief budget of \$24.8 million for the fiscal year ending 30th June 1954, and of \$18 million for that ending 30th June 1955; recommended maintaining the projects fund at \$200 million; and urged UNRWA and the Near Eastern countries concerned to seek projects on which to spend it.

Report of the Director

The *ad hoc* Political Committee had been considering the annual report of the Director of UNRWA and the summary conclusions and

recommendations contained in the special joint report of the Director and the Advisory Commission, consisting of the representatives of Egypt, France, Jordan, Syria, the United Kingdom and the United States. The directorship of UNRWA has been vacant since the resignation of Mr. John B. Blandford (United States) in March 1953, and the Director's report was introduced by the Deputy-Director, Mr. Leslie Carver (United Kingdom). He pointed out that the three-year plan covering the period mid-1951 to mid-1954 had established two separate funds: one of \$50 million to be spent on a diminishing scale for relief over the period of approximately three years; the other of \$200 million to be used to assist in rendering the refugees self-supporting. Two of the three years envisaged in the plan had elapsed and the whole of the \$50 million ear-marked for relief had been spent. As regards the main object of the plan, that of creating opportunities for the refugees for self-support and thereby reducing the cost of relief, the results were disappointing, owing to the time consumed in finding worth-while projects, and to the attitude of the refugees themselves which the Arab Governments could not avoid taking into consideration.

Unless a transfer of administrative responsibility to the host governments was to take place, the life of the agency would have to be prolonged beyond 30th June 1954 in order to provide the General Assembly with an opportunity to review the position at the next session. Relief would be required until new opportunities for self-support had been created.

UK Delegate's Statement

Speaking in support of the resolution, the United Kingdom delegate, Mr. P. M. Crosthwaite, said that the situation of the Palestine refugees was steadily deteriorating. Although international relief could meet their physical needs, prolonged residence in refugee camps was undermining their self-reliance and making their rehabilitation more difficult.

Reports before the committee indicated, he said, that the most notable advance of the past year had been the enlargement of the Advisory Commission by the addition of Syria, Jordan and Egypt, whose presence had already helped in smoothing over difficulties. The United Kingdom would like to see Lebanon on the Advisory Commission and was glad that it had indicated willingness to serve. On the question of the eventual transfer of responsibility of relief to the host Governments, the United Kingdom agreed that the UNRWA Director should continue discussions with them in the coming year. The United Kingdom welcomed the four programme agreements made with the host Governments but noted with regret the Acting Director's report of delays in execution of various major projects. Rehabilitation was of far greater value than relief and it must remain the main purpose of the agency to provide the refugees as far as possible with a permanent and independent source of livelihood.

UK Contributions to UNRWA

The annual report of the Director of UNRWA showed that the total pledges for the current year and unpaid balances for previous years amounted to \$105,374,434, of which \$9,063,250 was pledged by the United States and \$19,400,160 by the United Kingdom, and that cash received during the current year amounted to \$48,796,776, of which \$36,070,000 had been paid by the United States and \$9,600,000 by the United Kingdom.

For previous contributions by the United Kingdom to aid Palestine refugees, see 13.11.52 2c(34).

Korea and the United Nations

Statement by Mr. Eden

In the course of a statement during a foreign affairs debate in the UK House of Commons on 17th December [see 1a (102)] the Secretary of State for Foreign Affairs, Mr. Eden, reviewed recent developments concerning the Korean question.

The political conference 'which we are very anxious to settle', Mr. Eden said, had been discussed exhaustively by the United Nations General Assembly in August [see 20.8.53 2c(78) and 3.9.53 2c(84)]. The United Kingdom had had a distinct view which was not accepted by the United Nations, 'but we abided by the resolution which the United Nations passed'. In October there was a deadlock. The United Kingdom had played its part in trying to resolve that deadlock, and as a result agreement was reached for the recent meeting at Panmunjom.

Patient Negotiations by Mr. Dean

Mr. Eden went on as follows: 'Mr. Dean has represented the United States, and countries which fought under the United Nations' flag, very well and very patiently in these negotiations. . . . He has given a remarkable example of the new art, in this strange modern world, of handling publicly all the most detailed and complicated technical details imaginable, and his patience has been outstanding.'

'A number of concessions have been made by him, one after the other, to try to meet the Communist point of view. The Communists have made no concession.' On this occasion, there could be no doubt where the fault lay, 'but that does not prevent us from still being most anxious that the conference shall meet, and we shall do all in our power, as we have done heretofore, to bring it about'.

Prisoners of War

Regarding the prisoners of war, Mr. Eden said: 'The period of explanation ends on Christmas Eve, and 30 days after that, unless the political conference has come to an agreement about their future—that is, the future of the prisoners who have not chosen repatriation—the Commission's period of custody comes to an end. Our view is that that is the position, whether or not the political conference meets on 23rd January.' The United Kingdom Government were in consultation now with their friends and allies about that situation [*Hansard, Commons*, 17.12.53 Col. 697].

President Eisenhower on US Forces

On 26th December President Eisenhower made a statement on the situation in Korea and on the attitude of the United States towards the problems of defence in the Far East. The President announced that US ground forces in Korea were to be progressively reduced, though without impairing capacity to react to any renewed aggression, and that two army divisions were soon to be withdrawn and returned to the United States.

The following is the text of President Eisenhower's statement:

'The fighting in Korea was ended by an armistice which has now been in effect for five months. We do not need as much ground strength there

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now as when there was fighting. That is the more true because of the capability of the Republic of Korea forces which were substantially built up during the war. Also, our growing national air power possesses greater mobility and greater striking force than ever before. Accordingly, I have directed that the United States ground forces in Korea be progressively reduced as circumstances warrant. As an initial step, two army divisions will soon be withdrawn and returned to the United States.

‘While the United States is acting in good faith to preserve the armistice and accomplish its purposes, we remain alert to all possibilities. Therefore, I emphasize that the action being taken does not impair our readiness and capacity to react in any way which should deter aggression and, if aggression should nevertheless occur, to oppose it with even greater effect than heretofore. Recently, the United Nations members which had forces in Korea clearly stated that, together, we would be united and prompt to resist any renewal of armed attack [see 20.8.53 2c(75)]. The same statement pointed out that “the consequences of such a breach of the armistice would be so grave that, in all probability, it would not be possible to confine hostilities within the frontiers of Korea”. United States military forces in the Far East will be maintained at appropriate levels to take account of the foregoing and to fulfil the commitments which the United States has undertaken in that area, and which are vital to the security of the United States. These forces will feature highly mobile naval, air and amphibious units.

‘Thus we move forward in pursuance of our broad policy to make evident to all the world that we, ourselves, have no aggressive intentions and that we are resourceful and vigilant to find ways to reduce the burdens of armament and to promote a climate of peace.’

Far Eastern and SE Asian Affairs

Sir Winston Churchill on Bermuda Talks

In the course of his account of the Bermuda talks, given in the House of Commons foreign affairs debate on 17th December [see 1a(102)], Sir Winston Churchill said that much of the time was given to discussion of current difficulties in the Far East and South-East Asia. ‘It is no secret that in this part of the world there have been some divergencies of policy between the Western Powers.’ They had discussed such questions as trade with China, recognition of the Chinese Communist Government, the admission of Communist China to the United Nations organization, Korean problems, ‘and even such awkward personalities as Syngman Rhee and Chiang Kai-Shek’.

The UK Government had been very glad to have had the opportunity of making their views clear to the US Administration on all these difficult problems, ‘and were grateful to them for the attention with which they heard us even when they did not entirely agree’. It would certainly be a gain, Sir Winston added, ‘if there could be a rather close alignment of policies in this part of the world and I hope that at Bermuda we may have laid foundations on which we can build with advantage over the coming months’.

For United Kingdom views on trade with China, see R.2656 of 7.8.53 (I.2c); on the question of recognition of the Chinese Communist Government, see 10.7.52 1h(88); and on Chinese representation in the United Nations, see R.2649 of 7.8.53 (I. 2c).

